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MT LEGISLATIVE HISTORY

Chapter 409 1989

Bill (H) 289 S _____ Original bill & hist. ___C

H. Committee on Fish + Game		S. Committee on Fish + Game	
Hearing Date(s) Jan 24	✓C	Hearing Date(s) Mar 02	✓C
Feb 07	✓C	Mar 09	✓C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Feb 10	✓C	Mar 10	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON FISH AND GAME

Call to Order: By Chairman Severson, on March 2, 1989, at 1:00 p.m. in Room 402, State Capitol.

ROLL CALL

Members Present: Sen. Elmer Severson, Sen. John Anderson, Jr., Sen. Judy Jacobson, Sen. Al Bishop, Sen. Paul Rapp-Svrcek, Sen. Loren Jenkins, Sen. Bill Yellowtail.

Members Excused: None

Members Absent: None

Staff Present: Andrea Merrill, Legislative Council

Announcements/Discussion: None

HEARING ON HOUSE BILL 289

Presentation and Opening Statement by Sponsor: Rep. John Johnson stated that this bill allows for the donation of paddlefish roe to a non-profit corporation for the use in producing caviar products. It is aimed at eliminating waste of a natural resource and adding value to a Montana resource. The bill also designates how the anticipated profits are to be used. To legally snag a paddlefish you must first have a fishing license and you must purchase two distinct paddlefish tags. Two tags, or two fish, is the limit for the year. The non-profit corporation will clean the fish and return the fish for the donated roe. They will then process the roe for sale as caviar products.

Under the present conditions, roe and entrails from fish being cleaned at the intake site are being thrown in garbage containers provided at that site. They are hauled away to a landfill. This bill spells out the distribution of any profit.

List of Testifying Proponents and What Group they Represent:

Robert Van Der Vere, Helena Citizen Lobbyist
Mike Carlson, Past Pres. Glendive Chamber of Commerce
Betty Lou Kasten, Representative of HD 28
Kathy Nedens, Dir. of Glendive Chamber of Commerce

Curt Meads, Hotel owner in Glendive
Sen. Larry Tveit, SD 11

List of Testifying Opponents and What Group They Represent:

Ron Marcoux, Fish, Wildlife and Parks Department
George Holten, Montana Chapter American Fisheries Society
Don Chance, Montana Wildlife Federation
Janet Ellis, Montana Audubon Legislative Fund
David Jenter, Sportsman

Testimony:

Robert Van Der Vere stated he believes this is a good bill and he supports this bill.

Mike Carlson left his testimony. See Exhibit #1 and #1a.

Betty Lou Kasten stated she is a conservationist. She stated that conservation is the wise use of natural resources. This natural resource has not been used wisely, but it has been going to waste. The sale of caviar is not new to Montana. Caviar is sold in Libby by Wild Mountain Products. I stand in support of this bill.

Kathy Nedens left her testimony. See Exhibit #2.

Curt Meads left his testimony. See Exhibit #3.

Sen. Larry Tveit stated that most paddlefish are caught right at the intake spot because of the irrigation dam. Paddlefishing is highly regulated. The concept of this bill is very good and the waste has been going on since 1962. The group of people in Glendive that are involved are doing a good job. I urge passage of this bill.

Ron Marcoux left his testimony. See Exhibit #4.

George Holten left his testimony. See Exhibit #5.

Don Chance stated they oppose this bill. The underlying ramifications of the sale of these fish parts alarm the Federation. Even though roe collection will be specifically monitored at the intake, there is little possibility of monitoring other paddlefish concentration sites throughout the state. Legitimate bills of sale might be reused to transport additional roe. This would weaken the protection of wildlife from

illegal harvest and profit guarded against by the provisions of the Lacey Act.

This is a bad idea in the same way that it is a poor idea to authorize the sale of bear gall bladders, eagle talons and feathers as well as the sale of wild game in restaurants. Those provisions in federal law are there for a reason. They are to insure that we do not create an economic incentive for the destruction of our wildlife resources. The issue here is how we protect and manage our wildlife resources here in this state. This bill will raise awareness of the marketability of the paddlefish roe that's raising the potential of the rise of the black market. We feel our natural resources have greater value than just the money that can be obtained from their marketing. We feel this bill will adversely affect the paddlefish in this state.

Janet Ellis stated they oppose the bill but they have amendments (See Exhibit #6). They think this is a very dangerous precedent setting bill. It commercializes a species of special concern. Paddlefish are a long-life fish and it is very difficult to manage them. If you catch a paddlefish and throw it back it will die. But other fish can be thrown back successfully. Over harvesting could have a very long-term detrimental affect on these fish. The current harvest is 8-10% and scientists say that if it would reach 15% you could have very serious long-term problems with the population. We are concerned about the commercialization of wasted animal parts. Also, we are concerned about people throwing the males back when they are selectively fishing for females. Please oppose this bill, but if you don't please consider the amendments.

David Jenter stated he was in opposition to this bill.

Questions From Committee Members: Sen. Rapp-Svrcek asked Pat Graham how the paddlefish are studied and monitored. He stated the MT FWP studies the harvest to find where they concentrate.

Sen. Yellowtail asked Kathy Nedens what a single paddlefish is worth. She said the roe is $35-$40 a pound. She said the eggs have to be taken at a certain temperature, cleaned and washed and gone through a recipe process or they are no good. They have to be taken at a cleaning station and refrigerated immediately. We are planning to package them in cans and ship them in refrigerated trucks to a reputable wholesaler in San Francisco who will then re-package

them into small caviar cans. That would mean that one fish is worth about $400. Each season 2500 fish are taken and half of those are females. But it varies according to the season.

Sen. Jenkins asked Mr. Marcoux about cleaning the fish. He stated they have a facility there where the fish are cleaned quickly. The entrails are currently being collected right there at the cleaning station. A fox farm operator has approached us about using the entrails as feed for the fox farm.

Sen. Severson stated to Mr. Marcoux that there is a parallel between this bill and SB 294, the sale of crayfish. Mr. Marcoux stated that there is a quantity difference between the two fish. Poaching is a problem but once you open up markets the potential for illegal actions is what we need to watch for.

Sen. Jacobson asked Rep. Johnson about a fiscal note because it would have a fiscal impact of MT FWP. He stated there has not been one requested. Sen. Jacobson stated that a fiscal note was needed so we could see what kind of budget to expect and asked him to prepare one.

Sen. Rapp-Svrcek asked Mr. Marcoux about the term "species of concern". He stated that there is a non-game endangered species act in Montana. Within the provisions of that bill, we can designate species that are endangered in Montana which are of special concern. That would be a sensitive species that needs additional attention.

Sen. Rapp-Svrcek asked Mr. Marcoux why the paddlefish is a sensitive species. He stated that it is limited in its distribution in the state, the numbers are a factor and it is a species that is difficult to manage.

Sen. Rapp-Svrcek asked Mr. Marcoux if the department can set an absolute number on the amount of fish that can be taken in one year. Mr. Marcoux stated not at this point. It has only been the number of fish per individual. One key factor on harvest rates is how much water runs down the Yellowstone during the spring.

Sen. Bishop asked Mr. Marcoux how the MT FWP is managing the paddle fish now. Pat Graham of FWP answered. We manage the paddlefish now by monitoring the harvest at various locations in the state.
Sen. Bishop asked Mr. Graham if we were over fishing the paddlefish right now. He stated we had an increase

in harvest partly in response to the motion of that fishery to detract more increasing numbers of people in the 1970's and early 1980's. That is why we instituted the tag system to limit the harvest.

Sen. Yellowtail asked Rep. Johnson how he we would defend legislative policy against other non-profit organizations that are not selected from suing the Department to get in on this situation? Rep. Johnson stated that the Department would have to assure that this would not happen.

Closing by Sponsor: The donations will be from legally caught fish and they will be taken from a controlled area. This will be from the issuance of two tags and what you get is what you keep. You cannot throw it back. We are talking about a non-profit Montana corporation. This bill provides for an effective date and it also provides for a termination date of 1993. It gives three seasons to test this process.

HEARING ON HOUSE BILL 342

Presentation and Opening Statement by Sponsor: Rep. Paula Darko stated that this bill comes from interested sportsmen in her area. There was a concern that there is no minimum caliber restrictions in Montana, and this is to prohibit rimfire in big game hunting.

List of Testifying Proponents and What Group they Represent:

Ron Marcoux, Department of Fish, Wildlife & Parks

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Ron Marcoux left his testimony. See exhibit #7.

Questions From Committee Members: Sen. Yellowtail asked Rep. Darko if it was necessary to say "game animal". She stated that 87-2-101 states that deer, elk, moose, caribou, antelope, mountain sheep, mountain goat, mountain lion, bear and wild buffalo are game animals.

Sen. Yellowtail asked Rep. Darko what would be the harm in shooting mountain lions with a bigger caliber gun. She stated that when people are hunting mountain lion they want the pelt and they get really close. If they don't get a good shot they will ruin the pelt.

FISH AND GAME COMMITTEE

51st LEGISLATIVE SESSION -- 1989 Date 3/2/89

NAME	PRESENT	ABSENT	EXCUSED
Sen. Elmer Severson	X		
Sen. John Anderson Jr.	X		
Sen. Judy Jacobson	X		
Sen. Al Bishop	X		
Sen. Paul Rapp-Svrcek	X		
Sen. Loren Jenkins	X		
Sen. Bill Yellowtail	X		

Each day attach to minutes.

SF-2 (Rev. 1987)

Glendive Area Chamber of Commerce and Agriculture

200 N. Merrill • P.O. Box 930
Glendive, Montana 59330
Phone (406) 365-5601

MONTANA Superhost!

SENATE FISH AND GAME
EXHIBIT NO. 1
DATE March 2, 1989
BILL NO. HB 289

My name is Mike Carlson and I am the past president of the Glendive Chamber of Commerce and Agriculture. I am here today to express my support for House Bill 289. I am a graduate of the University of Missoula School of Forestry in Natural Resource Conservation. I have worked 15 years now in the soil conservation field in Montana with agriculture.

I have been working on this proposal for a year and it has large support in the Glendive area. Paddlefish have been caught at the Intake fishing area, 18 miles north of Glendive since 1962. At this fishing site on the Yellowstone River, there is a large rock diversion dam for irrigation purposes. The fish have a hard time crossing this barrier on their way upstream and congregate here. Fishermen come from all over the U.S. to catch these fish which average 50 lbs. and can weigh up to 100 lbs. The catch is limited by law to 2/per person. A fisherman must have a MT fishing license, conservation license and buy 2 tags which cost $3.00. An average of 3,300 fish a year are caught at this site during a 2-month period. Two-thirds are female or around 2,200 total and 1/4 to 1/3rd of a paddlefish is edible, the rest is thrown away. Many fishermen clean their fish here using a MT Fish, Wildlife & Parks cleaning station. Our organization would like to collect the eggs from the female fish as they are cleaned here. Presently they are disposed of in a landfill and the MT FWP pays someone to haul it away to the Glendive landfill. This is a problem at our landfill.

These fish eggs can be sold as caviar. Around 10 years ago, a private businessman in Glendive tried to collect the eggs but was turned down by MT FWP. Our proposal is non-profit with all proceeds after expenses to be used in a beneficial manner.

We want at all costs to protect the paddlefish. Our proposal will not lead to over-fishing or other illegal activities due to the strict control now in place at the Intake fishing area. We simply want to make use of a wasteful situation that has gone on too long. MT FWP studies indicate the paddlefish population to be healthy and sustainable.

Why do we want the potential income from this proposal? The Glendive area has been hit hard by the loss of our oil related industries and a depressed agriculture economy in the 1980's. Our tax base has been lowered and our economy is depressed. We would like to find a source of revenue to upgrade and improve some of the outdoor recreation, historical, cultural and public services in the Glendive area. Dollars generated from the sale of caviar could be used as seed money when applying for many grants available.

We would also like to develop a MT entrance tourist center on I-94 to provide information to the many hunters, fishermen, snowmobilers, skiers, and tourists who come here from the east. We would like to retain 50% of the profits for these activities. We will setup a special committee to solicit proposals and fund worthwhile projects that are proposed.

Glendive Area Chamber of Commerce and Agriculture

200 N. Merrill • P.O. Box 930
Glendive, Montana 59330
Phone (406) 365-5601

We also would like to find a source of revenue to fund outdoor recreation improvements in eastern Montana. We hear of the need for improvements in our State parks and recreation areas but state funds are short. There are many ideas sportsmen have for improving outdoor activities. The other fifty percent of the profits after expenses would be allocated to the MT FWP for paddlefish activities in eastern Montana.

We have met with MT FWP and they have been excellent in providing information on this proposal. We have only one concern on the bill and its amendments. We ask that the MT FWP department leave the details on the marketing and sale of the caviar up to us. We can best develop a marketing plan that will return the most income from this "Made in Montana" product. We intend to make this product, Montana Caviar, a new industry that will put Glendive and Montana into national recognition.

We feel the interest and purpose of this bill and the initiative of the people of Glendive was not to go into the business of harvesting paddlefish roe to raise revenue 100% for a state agency. We ask for a 50-50 split on the income after expenses. We believe the MT FWP department should have looked at their policy sooner in this regard rather than disposing the roe in a dump each year. We are throwing away $100,000/year. We would like to see the revenue generated from this value added proposal be used to benefit eastern Montana's citizens and its wildlife and recreation resources.

Mike Carlson
Chairman- Paddlefish Caviar Committee

SEN. FISH AND GAME
EXHIBIT NO. 1a
DATE March 2, 1989
BILL NO. HB 289

House Bill 289/03

Amendment No. 1: Page 5, line 6:

After of: strike "one"
Insert: "two"

Amendment No. 2: Page 5, line 8:

After and: strike "two"
Insert "one"

Amendment No. 3: Page 4, line 6:

After the: strike "marketing and"
Then it will read: "shall also develop rules for the sale of caviar"

SENATE FISH AND GAME
EXHIBIT NO. 2
DATE March 2, 1989
BILL NO. HB 289

Mr. Chairman and members of the committee:

My name is Kathy Nedens and I am the Executive Director of the Glendive Chamber of Commerce. I am here today to urge your support of H.B. 289.

During May, June, and the early part of July, anglers from all over the U.S. travel to Intake Diversion Dam, 17 miles north of Glendive to rig up and snag the elusive prehistoric paddlefish of the Yellowstone. Over the years, the great influx of fishermen has given Intake the name "Paddlefish Capital of the World." Paddlefishing is a heritage Glendive has been proud of since 1915. In 1962 interest in the fish exploded and soon State Fish and Game officials had to impose a limit of two paddlefish a season per person. After consulting with wildlife biologists, the Glendive Chamber proposed collecting eggs from tagged fish only on a voluntary basis. This program will protect the paddlefish and insure the preservation of the species. Fishermen will be able to have their fish cleaned and packaged in exchange for donating the eggs, which are presently being hauled to a land fill. An additional measure of protection for the paddlefish species would be provided by actually raising paddlefish fry in the current Miles City hatchery, this process is highly successful in Yankton, South Dakota, and by sharing the profit with the Fish and Game Department the funding would be available to develop the habitat and fishery management necessary for preservation.

Setting up a facility, processing the roe to caviar, and marketing the product can all be accomplished for a minimal amount of capital and expertise. The unique concept by the Glendive Chamber of Commerce is to turn a presently discarded natural resource into a product capable of generating revenues to enhance and impact Eastern Montana. The Glendive Chamber of Commerce has received an overwhelming amount of public support for this project, because as a nonprofit private-sector organization we can insure a fair and equitable distribution of the profits to much needed community projects unable to be funded presently due to economic depression and cutbacks in Eastern Montana.

PROJECT SUMMARY

PROPOSAL FOR THE COMMERCIAL USE OF PADDLEFISH ROE

By: The Glendive Chamber of Commerce & Agriculture
January, 1989

1. PURPOSE: To collect paddlefish eggs (roe) at the Intake fishing area each spring from paddlefish caught by fishermen. Presently they are disposed of in a landfill. After collection the roe can be processed, canned and marketed as caviar. The sale of the "Made in Montana" product could produce significant revenue.

2. PROPOSAL: The Glendive Chamber of Commerce would collect the eggs from tagged paddlefish only with permission of the Montana Fish and Game Commission and the Montana Department of Fish, Wildlife, and Parks. The Glendive Chamber of Commerce would provide free fish cleaning to those fisherman who would voluntarily donate the roe.

3. DISTRIBUTION OF PROFITS: An amount of the profits equal to that year's expenses will be reserved to fund the following year's operation. The remainder of the profits will be distributed as follows:

   One-half of the proceeds from the sale of paddlefish egg products, in excess of the costs of collection, processing, marketing and administration, will be deposited in a state special revenue fund established for the department. The fund and any interest earned thereon, will be used to benefit the paddlefish fishery, including fishing access improvements, habitat and fisheries management and/or to provide information to the public regarding fishing in eastern Montana which could include the design and construction of interpretive displays. The department director will establish an advisory committee pursuant to 2-15-122 consisting of a member from the Montana nonprofit organization, an area local government representative, and two representatives for area sportsmen. The committee will work with the department in developing recommendations and reviewing projects for the expenditure of these funds.

   The other half of the proceeds from the sale in excess of the costs of collection, processing, marketing and administration, will be paid to the nonprofit corporation which processes and markets the roe. This organization will solicit proposals for community development in the Glendive area. One of their priorities will be a Montana Entrance Tourist and Visitor Center on I-94 highway. This will be open year round to provide information to those entering the

state from the east on tourism, recreation, sportsman, etc. The non-profit committee will review proposals and fund projects. These dollars can be used as seed money for various grants.

4. LEGISLATIVE CHANGES NEEDED: Change in State law to allow Glendive Chamber of Commerce to harvest and market paddlefish roe.

The Glendive Area Chamber of Commerce and Agriculture will develop a processing facility with the assistance of the Montana Small Business Development Center. This proposal will develop new jobs in the Glendive area.

For more information contact: Glendive Chamber of Commerce
Mike Carlson or Kathy Nedens
(365-5601)

Glendive Area Chamber of Commerce and Agriculture

200 N. Merrill • P.O. Box 930
Glendive, Montana 59330
Phone (406) 365-5601

MONTANA Superhost!

FACT SHEET

STATISTICS	1972-1987 70% of all fish caught at Intake are female. 2500 females per year, with an average weight of 50lbs. Approximately 8-10lbs. of eggs per female fish. Price of caviar: $30.00-$40.00/lb.
PROCESS	Eggs are collected and transported to a state approved processing facility in Gldv. The eggs are washed, screened, placed in a brine solution, and packaged in 3 gal. containers. Containers are shipped, in refrigerated trucks, to food brokers for further processing and marketing.
FACILITY STATISTICS	Building site and processing equipment already available to the Glendive Chamber of Commerce. Expertise in processing and marketing of caviar has been acquired by the Gldv. Chamber of Commerce. Employ 6-12 people for a 2 month period.
BUSINESS CONTACTS	Department of Commerce - Helena, Mt. Small Business Administration-Gldv., Mt. Bear Creek Fisheries - Libby, Mt.

Glendive Area Chamber of Commerce and Agriculture

200 N. Merrill • P.O. Box 930
Glendive, Montana 59330
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Montana Superhost!

February 3, 1989

Senator Elmer Severson; Chairman
Fish and Game Committee
Capitol Station
Helena, MT 59620

Dear Members of the Fish & Game Committee:

A committee of the Glendive Area Chamber of Commerce and Agriculture has studied and drafted a proposal to use a presently discarded natural resource to benefit not only our community, but impact Eastern Montana as a whole. In our present stage of economic struggle, we need to view this proposal from three aspects.

1. The proposal will generate revenues to enhance fishing accesses, fund recreational improvements and develop tourist centers to provide hunters, fishermen, snowmobilers and travelers information as they enter Montana from the east.

2. The proposal is two-fold because again we have an added value as a "Made in Montana Product."

3. By using tagged fish, only on strictly volunteer basis, which only a non-profit organization could justifiable afford to do, we are protecting and preserving the species.

The Glendive Area Chamber of Commerce and Agriculture has established the ground work necessary to process and market the product and we have proposed the distribution of profits. The break down of which is included in the project summary you have been supplied.

Sincerely,

Kathy Nedens
Executive Director

KN:re

Best Western
Holiday Lodge

SENATE FISH AND GAME
EXHIBIT NO. 3
DATE March 2, 1989
BILL NO. HB289

February 3, 1989

Senator Elmer Severson: Chairman
Fish and Game Committee
Capitol Station
Helena, MT 59620

Dear Fish and Game Committee Members:

It would appear that we have at last opportunity in House Bill 289 to address the wasteful practice of discarding paddlefish eggs simply because we have not been big enough to work through accompanying problems.

I don't know how any one who believes Montana's wealth should not be wasted could in good conscience long tolerate this blatant disregard for the potential value of this natural resource. It not only could enhance Montana's economy for the eggs in the raw state, but it also has the potential for the value added in processing, marketing, and the sale in the form of caviar.

The Glendive Chamber of Commercee should be applauded for bringing this type of legislative opportunity to us and I urge your support.

Yours sincerely,

Curt Meeds

Curt Meeds, President

CM:jc

Box 741 . 222 N. Kendrick . Glendive, Montana 59330 . (406) 365-5656

SENATE FISH AND GAME
EXHIBIT NO. 4
DATE March 2, 1989
BILL NO. HB289

HB 289
March 2, 1989

Testimony presented by Ron Marcoux, Department of Fish, Wildlife & Parks

The paddlefish, which evolved in prehistoric times, is one of the last relic fish species in the Missouri River Basin. It is only found in one other river system in the world, and that is in China.

The paddlefish is a long-lived, migratory fish. The fish spawning in the Yellowstone River reside the rest of the year in Garrison Reservoir, North Dakota. This makes managing them very difficult.

Over the years, the popularity of this fish has increased, partially in response to local promotions. In response, we have had to impose additional restrictions on harvest. At this time we require paddlefish fishermen to have a special tag and limit their harvest to two fish per year. We have also made it illegal to catch and release paddlefish to reduce the practice of high-grading and the subsequent delayed mortality which was observed.

House Bill 289 proposes to legalize the collection, processing and selling of paddlefish eggs for caviar. The department has historically opposed bills which lead to the commercialization of unique and important fish and wildlife. These are public resources and have been traditionally valued for providing sport harvest, viewing or other public benefits.

We continue to have a concern with commercialization of paddlefish roe which may unintentionally increase both legal and illegal harvest. The long lifespan and migratory habits of the paddlefish make accurate management of harvest very difficult. This is one reason we try to manage the species conservatively. If we make a mistake now by overharvesting spawners, we may not know it for many years.

The present status of the paddlefish is a growing concern in other Missouri Basin states. The U.S. Fish & Wildlife Service (see attachment) sent a letter indicating their concern that paddlefish numbers may be declining in the upper Missouri Basin due primarily to changes in habitat. Both the Fish & Wildlife Service and the State of North Dakota (see attachment) share our concern relative to illegal harvest resulting from commercialization of the species.

In its present form, HB 289 attempts to address the concern of overharvest by limiting fishermen to a donation of their paddlefish eggs. This should reduce the motivation to legally overharvest paddlefish. However, the potential for illegal harvest may be enhanced through publicity on the value of the eggs or illegal transport of eggs.

United States Department of the Interior
FISH AND WILDLIFE SERVICE

MAILING ADDRESS:
Post Office Box 25486
Denver Federal Center
Denver, Colorado 80225

STREET LOCATION:
134 Union Blvd.
Lakewood, Colorado 80228

IN REPLY REFER TO:
FFA/
MAILSTOP 60142

JAN 2 6 1989

Honorable Bob Ream
Montana House of Representatives
Chairman, House Fish and Game Committee
Montana Legislature
Capitol Station
Helena, Montana 59620

Dear Mr. Ream:

We have been advised a bill permitting the sale of paddlefish eggs is before the Montana Legislature. The U.S. Fish and Wildlife Service is alarmed that passage of such legislation may set a dangerous precedent and unwittingly contribute to the further decline of this fish.

State and Federal biologists currently are involved in a variety of projects designed to identify management action necessary to stop the further decline of paddlefish populations in the Upper Missouri River basin. There is every indication to support the need for further restricting the taking of paddlefish.

The legalization of sale of fish or fish products, particularly by individuals or non-governmental entities, will serve to create additional demand once the profitability of such a venture is recognized. We recognize the worthiness and well-intentioned funding objectives in mind with the subject proposed legislation. However, the biological cost to the paddlefish will far exceed the more short-termed benefits of such sales.

The paddlefish has been placed under extreme pressure over the past several years through various modifications and changes in its habitat. We are concerned and respectfully suggest that the matter at hand receive very careful and comprehensive review.

Sincerely,

John L. Spinks, Jr.
Deputy Regional Director

cc: Steve McMullin
Department of Montana Fish, Wildlife and Parks

NORTH DAKOTA
GAME & FISH
DEPARTMENT

"Variety in Hunting and Fishing"

100 North Bismarck Expressway
Bismarck, North Dakota 58501-5095
Phone: (701) 221-6300

January 27, 1989

Honorable Robert Ream
Chairman, Fish and Game Committee
Montana House of Representatives
State Capitol Building
Helena, MT 59620

Dear Congressman Ream:

We have recently been informed of the introduction of HB209, which would allow for the commercial sale of paddlefish eggs in Montana. Our understanding of the bill is that egg donations would be taken only from paddlefish harvested from the Yellowstone River, which are required to be tagged upon harvesting.

The idea of donated eggs assumably prevents any profit being realized by the angler thus no incentive.

We are going on record as opposing this bill for a variety of reasons. The American Fisheries Society currently lists the paddlefish as a species of concern in Montana and North Dakota. More stringent regulations on the harvest and possession of paddlefish in North Dakota have been implemented in the past five years in an effort to revitalize the paddlefish population and provide greater recreation for those who prefer to fish for this species. In addition, we are seriously considering implementing a tagging system, such as Montana currently utilizes on the Yellowstone River, in an effort to more closely control the harvest of paddlefish. The paddlefish population in that portion of the Missouri and Yellowstone Rivers is common to both Montana and North Dakota.

Our concern does not arise from the donation of legally harvested fish and donated eggs. However, there has to be a market or common buyer for the processing of the eggs into caviar. Herein lies the potential for irreparable harm to the population. If the market for the caviar should be quite good, there is significant potential for illegal harvest of paddlefish for economic gain. A significant increase in the harvest could jeopardize a future paddlefish fishery for Montana and North Dakota.

Dale L. Henegar
COMMISSIONER

Paul T. Schadewald
ACTING DEPUTY COMMISSIONER

I'm sure you can understand our concern and hope you seriously consider the ramifications. The paddlefish is a precious natural resource that is historically common to our states that likely will not withstand commercial exploitation.

Sincerely,

Dale L. Henegar
Commissioner

DLH/gmo

bc: Steve McMullin

SENATE FISH AND GAME
EXHIBIT NO. 5
DATE March 2, 1989
BILL NO. HB289

TESTIMONY IN OPPOSITION TO HOUSE BILL 289

by George Holton representing

MONTANA CHAPTER OF THE AMERICAN FISHERIES SOCIETY

March 2, 1989

I am George Holton, speaking for the Montana Chapter of the American Fisheries Society. The American Fisheries Society is the oldest and largest professional society representing fisheries scientists. I was a fisheries biologist for 35 years, 30 of these with Montana Department of Fish, Wildlife and Parks as Chief Fisheries Biologist and Assistant Fish Division Administrator. I am now in private business, my wife and I have a gallery and gift shop here in Helena. We recently joined the Helena Chamber of Commerce. I say this so you will know I am not automatically against chamber of commerce projects.

In 1986 the North Central Division of the American Fisheries Society held a paddlefish symposium to address concerns about the well being of this species. The news wasn't all bad, paddlefish populations seem to be holding their own. Still, a summary said something to the effect:

> Paddlefish habitat and in some cases populations have been greatly reduced over the past several decades by water resource development projects. The range of the species has diminished. Now, a new threat has arisen. Within the past few years the demand for paddlefish eggs for caviar has put a severe strain on various populations.

Here I will add that we, in Montana, have heard some "horror" stories about the taking of paddlefish for their eggs. For example, in Louisiana, where there is an abundant population, considerable numbers of paddlefish were netted, slit open for their eggs, and the carcasses abandoned. This prompted a three-year study on the status of paddlefish. Just-completed, the study recommends a limited harvest by commercial fishermen for the flesh, and a yearly six-month closure on commercial harvest to prevent the exploitation of spawners.

Now back to the summary of the paddlefish symposium, in addressing the question "Is the paddlefish a threatened resource?" it concluded, the answer isn't yes and the answer isn't no: rather, the answer is, not yet.

A few years ago when I was still with the Department of Fish, Wildlife and Parks I asked scientists knowledgeable on paddlefish

how many spawning areas still remain in the United States. The answer was six primary spawning areas, two of them being in Montana, one in the lower Yellowstone River and one in the Missouri River upstream from Fort Peck Reservoir.

This gives us a responsibility that extends beyond the boundaries of our state.

The Montana Chapter of the American Fisheries Society is opposed to the commercialization of paddlefish eggs, even the mild commercialization proposed by HB 289.

We have three main concerns:

First, we feel this will increase the harvest of paddlefish. We can even envision special paddlefishing days to obtain money from egg sales for community projects.

However, in our judgement the present annual take of 8 to 10 percent of the Yellowstone River paddlefish population is all it can stand. A very real problem is that our knowledge of paddlefish numbers, sizes and age composition is sketchy, and harvest regulations have not been fully evaluated as to their effectiveness. Commercial eggs sales should include much closer monitoring of the population, but this would be costly and, with the stress on economy in government, not likely to happen.

Second, how about paddlefish spawning runs in the Missouri River? Most of the spawning is in the 160 river miles from Fort Peck Reservoir upstream to the mouth of the Marias River with a concentration in the lower 45 miles. In addition, a large number of paddlefish from Lake Sakakawea (created by Garrison Dam) in North Dakota run up to Fort Peck Dam. It is 170 river miles from the North Dakota border to the dam. For most of this distance the north bank of the river is in the Fort Peck Indian Reservation where the state has no jurisdiction over fish and wildlife.

Our question is, how can paddlefish egg sales be limited to eggs from the Yellowstone River alone?

This brings up our third concern, that a black market will develop. At present, possession of 50 pounds of paddlefish eggs would be suspicious. With this bill, wardens would have to assume there was a valid purpose.

The river distances are long--55 miles from the mouth of the Yellowstone to Intake, plus the couple hundred miles of the Missouri already mentioned--and almost all of the river miles are in remote areas. State fines are simply not enough to deter violators who could collect several thousand dollars worth of eggs in a single night. In effect this bill <u>could</u> establish a pipeline for the sale of illegal as well as legal eggs.

No amount of enforcement effort would stem illegal paddlefish

harvests. It would be analogous to efforts to curb the drug trade. As someone asked my daughter when she was a public defender in Maryland: "Why work at McDonald's Restaurant for $3.35 an hour when you can sell drugs on a street corner for $1,000.00 a week?"

The Montana Chapter of the American Fisheries Society opposes House Bill 289. The unique and rare paddlefish is too valuable a resource to jeopardize by commercialization of its eggs.

Amendments to House Bill No.289
Third Reading Copy

Requested by Janet Ellis
For the Committee on Fish and Game

Prepared by Dave Cogley
March 2, 1989

SENATE FISH AND GAME
EXHIBIT NO. 6
DATE March 2, 1989
BILL NO. HB 289

1. Page 1, line 19.
Strike: "At a minimum, it"
Insert: "It"

2. Page 1.
Following: line 23
Insert: "(2) regulation of commercial buyers and establishment of a permit requirement for buyers if the department determines such a requirement is necessary to properly administer the program;"
Renumber: subsequent subsections

3. Page 2.
Following: line 6
Insert: "The department may not dictate marketing strategies for the caviar, including but not limited to the time of year it is sold or the containers in which it is sold."

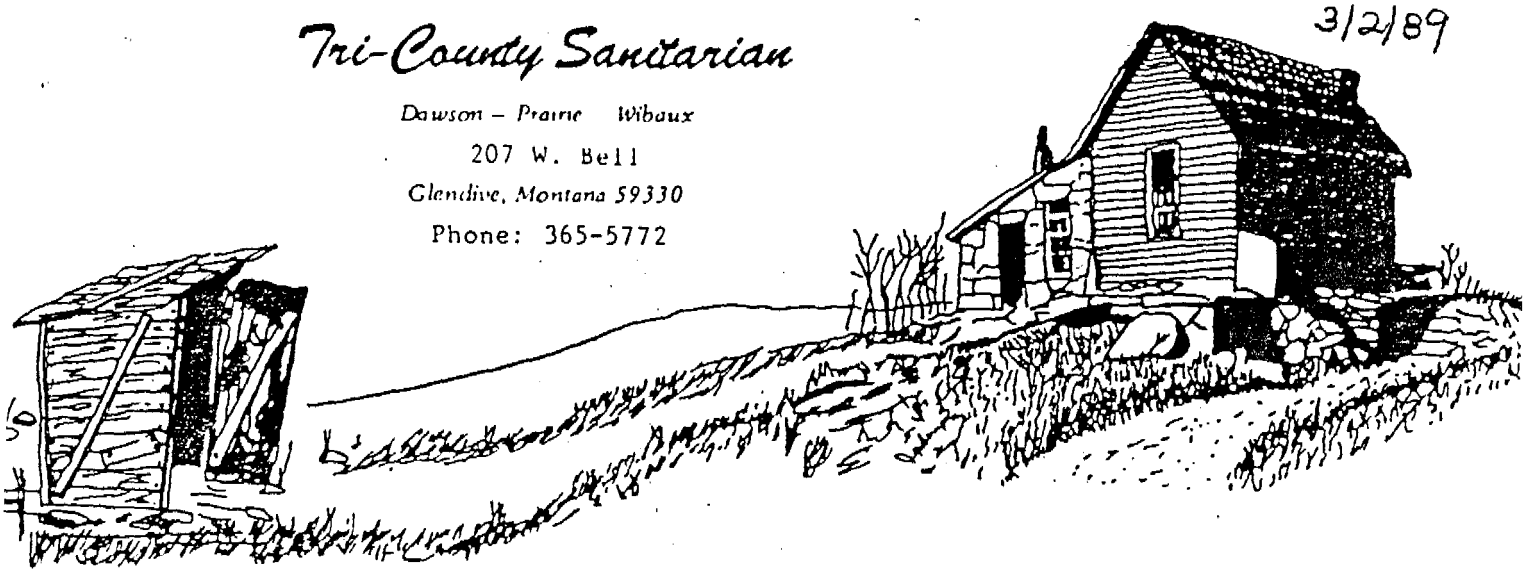
4. Page 4, line 7.
Following: "CAVIAR"
Insert: "under this section"

5. Page 5, line 6.
Strike: "ESTABLISHED CONSISTING"
Insert: "appointed by the commission and shall consist"

HB 289
3/2/89

Tri-County Sanitarian

Dawson – Prairie Wibaux
207 W. Bell
Glendive, Montana 59330
Phone: 365-5772



2/27/89

Senator Elmer Severson, Chairman
Fish and Game Committee
Capitol Station
Helena, MT 59620

Dear Fish And Game Committee:

As you already know the Glendive Chamber of Commerce has introduced HB 289 for the extraction and ultimate sale of paddlefish roe. For many years now the Glendive landfill has been impacted during the paddlefish session with tons of entrails from the fish.

The landfill operator only covers the landfill each evening. During the paddlefish season temperatures often reach into the 90's and sometimes higher. As you can imagine this causes an immense fly problem. ARM 16.14.520 (5) states that "flies and other insects, as well a rodents, shall be effectively controlled".

If the roe could be legally removed and the remainder used for fox or mink food (there are such farms in the immediate area) the impact on the landfill would greatly be reduced during the 60 day paddlefish run.

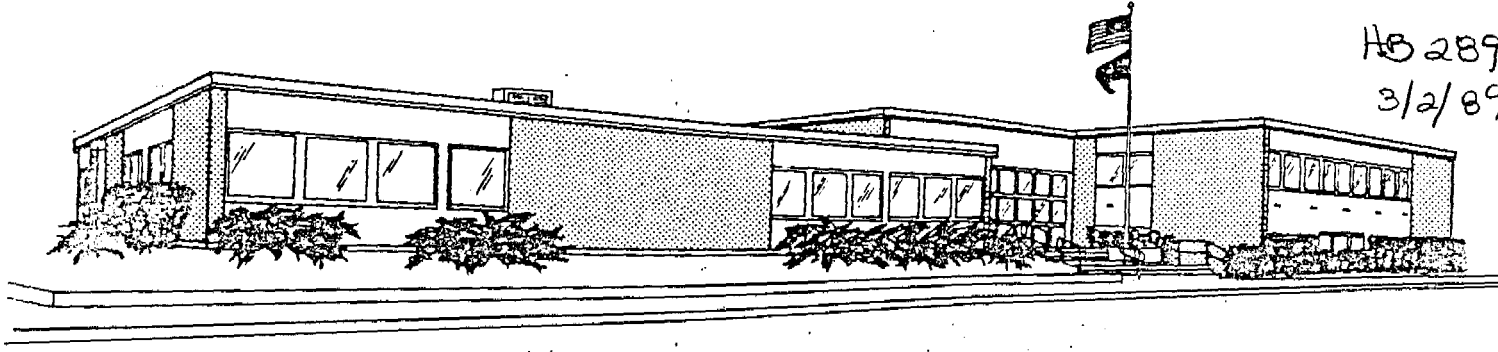
This office and the Glendive Public Works Director wholly endorse and encourage your committee to support HB 289.

Yours for a better environment,

Dennis J. Snow R.S.
District Sanitarian

CC: Wilber Wallace, Glendive Public Works Director,
City Hall, Glendive Mt. 59330
Glendive Chamber of Commerce, Box 930, Glendive, Mt.
Dawson County Commissionrs, 207 West Bell, Glendive, Mt.

HB 289
3/2/89



Office of:
County Commissioners
Phone 365-3562
Robert Ziegler
W.M. Harpster
Judy Reddig

County of Dawson

207 W. Bell
Glendive, MT 59330

Office of:
Clerk and Recorder
Phone 365-3058
Patricia Peterson

Office of:
County Treasurer
Phone 365-3026
Cindi Hansen

February 20, 1989

Senator Elmer Sverson; Chairman
Fish and Game Committee

Re: HB 289, The Paddlefish Roe Bill

The Dawson County Commissioners want to go on record as supporting this bill and ask your committee to give it your favorable consideration.

We are dealing here with a resource that is presently coming from legally tagged fish caught at the only place where licensing is required in Montana. The roe is now being thrown away and hauled to the local landfill. With proper processing this is a valuable by-product and could be a substantial source of income for the fish and game and our local Chamber of Commerce. Profits from the sale of the roe will all go to non-profit organizations and will stay in the community and state.

Sincerely,

BOARD OF COUNTY COMMISSIONERS

ROBERT ZIEGLER, CHAIRMAN

W.M. HARPSTER, MEMBER

JUDY REDDIG, MEMBER

HB 289
3/2/89

Glendive, Montana
59330

CITY OF GLENDIVE MONTANA

Phone (406) 365-3318
300 South Merrill

February 20, 1989

Senator Elmer Severson; Chairman
Fish and Game Committee
Capitol Station
Helena, MT 59620

Attention: Chairman Severson and Committee Members

Dear Gentleman:

I am writing on behalf of the Glendive City Council and myself regarding HB 289. Please give this bill favorable consideration because we feel it will be of great benefit to our ccommunity.

This Paddlefish project will be a boost to our economy. Because of the drop in oil prices, our economy has been very poor and we need other small businessess to replace this loss.

Thank you for your time and consideration given to this matter.

Sincerely,

Lester Ollerman

Lester Ollerman
Mayor

LO:re

HB 289
3/2/89

Please be advised that the Glendive Chapter of Walleyes Unlimited is in support of House Bill concerning Paddlefish Caviar. We feel the monies generated by the sale of Paddlefish Caviar will greatly enhance the Paddlefisheries by supplying much needed funds for the study and supervision of the fisheries.

We also support the Glendive Chamber of Commerce in their efforts in attempting to obtain money for projects on the lower Yellowstone River and Eastern Montana Communities.

South East Region Director
Gerald Frank
Glendive Chapter President
Burke Walker
Lifetime Member
Jim Jessen

HB 289
3/2/89

GLENDIVE FORWARD

• An Economic Development Corporation •

• 200 N. Merrill Ave. • P.O. Box 930 • Glendive, Montana 59330 • (406) 365-8612

February 27, 1989

Senator Elmer Severson; Chairman
Fish and Game Committee
Capitol Station
Helena, MT 59620

Dear Fish and Game Members:

Glendive Forward, as the local development organization, is vitally concerned about the current economic conditions in Eastern Montana. We fully support the efforts of the Glendive Area Chamber of Commerce and Agriculture regarding the Paddlefish Roe project, and ask that you lend your support in endorsing HB 289.

The Paddlefish Roe project, is an example, that through the partnership of Glendive Forward, the city of Glendive, and the Glendive Area Chamber of Commerce and Agriculture, positive steps are being taken for the re-vitalization of the Glendive community.

In this time of economic downturn, drought, decreased oil and gas activity, this community is determined to move forward in a positive way, rather than be discouraged by current events. This resourcefulness and determination reflect the quality of people in Eastern Montana. We take pride in our ability to retrench and move forward in times of adversity.

The broad spectrum of support that the Glendive Area Chamber of Commerce and Agriculture has received from the entire community exemplifies the statement that "WORKING TOGETHER DOES MAKE A DIFFERENCE."

Once again, we urge your endorsement of HB 289.

Sincerely,

Kathy Sparr

Kathy Sparr
Executive Director

KS/re

BETTER FOR BUSINESS
Montana Certified Communities

HB 289
3/2/89

BEAR CREEK FISHERIES
WILD MOUNTAIN PRODUCTS
MONTANA WILD BERRIES

February 6, 1989

To Whom It May Concern:

My Company, Bear Creek Fisheries, has been in the caviar business for four years in the State of Montana. We are based in Libby, MT. We were contacted by the Glendive Area Chamber of Commerce and Agriculture in regards to the possibility of processing and selling Paddle Fish roe.

At this time, we have made arrangements for the sale of all roe available. We have not reached any price, for the roe, as we have to see the quality and quantity of the roe, as this decides what its value will be.

We will come to the Glendive area and help set up the processing and shipping of this product. I have been in close contact with the Chamber and feel they can do a good job of processing and shipping a high quality product.

We the people of Montana, need to do more of this type of business, as this roe can be quite profitable and as it is now thrown away and not used. What a shame. So we here at Bear Creek Fisheries, will do all in our power to help the Glendive Area Chamber of Commerce and Agriculture get this project going.

Thank you.

Owner. Bear Creek Fisheries
Gary D. Smith

~~P.O. Box 1024, Route 1~~/358 Bear Creek Road Libby, Montana 59923 (406) 293-6498

6 February 1989

Mr. Gary Smith
358 Bear Creek Road
Libby, MT 59923

Re: Letter of Intent to
Process Sturgeon Caviar in Montana

Dear Gary:

Ms. Dafne Engstrom, Vice President for Product Development of California Sunshine, asked me to write to you declaring our intention to work with you in developing Paddlefish caviar processing in Montana. Dafne is now in Europe with several major caviar houses.

California Sunshine - World's Leader in Caviar Innovation

First, given what we know today, California Sunshine Fine Foods, Inc. is eager to pursue new sources of Caviar. Since we first popularized the American Golden Caviar from whitefish, we have processed a Columbia River Sturgeon Caviar, and now have an on-going joint venture with the People's Republic of China. We are considered by many to be the leading source of caviar innovation in the world.

Upcoming Caviar Shortage

Second, there is great concern that the Soviet Union's industrial pollution will jeopardize the Caspian Sea catch. This is very likely to create a world caviar shortage.

Enhanced Reputation for Sophisticated Food

Third, the addition of as much as 10 tons of Paddlefish caviar from Montana is likely to enhance the reputation of the state of Montana as a sophisticated food producer.

Gary, please let me know how and when we can get started. Since I understand that there are still some Statutes barring development of this industry, I strongly urge you to persist in your efforts for Legislative Reform.

Sincerely,

John H. Wiest
Director of Marketing

HB 289
3/2/89

opinion

Miles City Star
1-31-89

Guest Editorial

Roe vs. waders

From the other end of the Yellowstone comes a little ingenuity that is running right up against some of the strongest rules of the Montana Fish and Game Commission.

The river near Sidney and Glendive is one of the few places you can find the Paddlefish. It's a distant cousin of the sturgeon, and has some characteristics of some other prehistoric fishes.

Montana allows sportfishing for paddlefish, in the Yellowstone and Missouri rivers, with a limit of two per fisherman. As with any game taken by sportsmen in Montana, the anglers are expected to use what they keep, except for the innards.

But some of the innards, in this case, have a value all their own. The paddlefish roe is reportedly something of a delicacy, and a treat to those who fancy caviar.

There could be a market for the roe, in fact, but the Fish and Game folks don't want to allow commercial fishing for the paddlefish, because it's a somewhat rare and perhaps limited species. Fine.

But the Chamber of Commerce in Glendive would like to allow the anglers to donate any paddlefish roe they don't want to a non-profit organization, and further allow the organization to market the roe. The Chamber says roe with a value of over $100,000 a year ends up in the Glendive landfill, and there ought to be a better use for the resource.

The Fish and Game, of course, is concerned about exploitation and blackmarketeering of the roe and poaching and other enforcement problems. Those are points which are well taken, but it still seems as though there ought to be a way.

One suggestion might be that the organization would have to split the income from the roe sales with the Fish and Game agency, to provide the agency with more money for enforcement efforts.

We can all appreciate the problems created by allowing commercial use of the state's game resources. But the waste of those resources is just as regrettable, and there ought to be a way to work out a philosophical and practical compromise. — Livingston Enterprise.

HB 289
3/2/89

Soviets to ban caviar exports

MOSCOW (AP) — The Soviet Union soon will ban the export of consumer goods ranging from caviar to children's shoes and will limit travelers to $60 worth of souvenirs, the official news agency Tass said Sunday.

The radical changes in export and customs regulations evidently are aimed at remedying an extreme shortage of consumer goods in the Soviet Union and assuaging citizens angry over the scarcity of such basic items as soap and windshield wipers.

Tass said the restrictions approved by the Council of Ministers will take effect Feb. 1 and last until the end of 1990. It did not give a date for the decision.

The brief announcement limiting exports of consumer goods to 100 rubles, or $60, per person specifically included tourists. But it did not explain the effect of the ruling on the Soviet Union's attempts to earn scarce hard currency by selling the best caviar, fur hats and coats, vodka and souvenirs in stores that require dollars, pounds or other freely convertible money.

Tass said it will be forbidden to export televisions, refrigerators, freezers, washing and sewing machines, children's clothing and shoes, coffee and caviar.

Coffee is not grown in the Soviet Union, and the import duty is up to $15 a pound.

The announcement also said customs duties will climb to 20 to 100 percent of the retail price on vacuum cleaners, mixers, coffee-grinders, irons and other items.

HB 289
3/2/89

The Billings Gazette
Saturday, Jan. 21, 1989

Bill backs Glendive caviar idea

By MARK HENCKEL
Gazette Outdoor Editor

Glendive would become the caviar capital of Montana under legislation proposed to allow the processing and sale of paddlefish eggs in the Eastern Montana city.

The legislation, House Bill 289 introduced by Rep. John Johnson, D-Glendive, would set up a non-profit corporation that would collect eggs donated by fishermen who snag paddlefish making their spring spawning run up the Yellowstone River to Intake Diversion Dam.

Money generated by the eggs would then be used to fund outdoor recreational activities in Eastern Montana and act as seed money for community development projects in the Glendive area.

The bill was the brainchild of the Glendive Chamber of Commerce and proposes to make use of something that's presently being hauled away as garbage. At present it is illegal to sell the eggs, or any wild game.

"Right now, there are fish cleaned right there and the eggs are being thrown away," said Mike Carlson, chamber president. "Over the past 10 years, there has probably been a million dollars worth thrown away.

"We envision hiring somebody to clean the fish for free for fishermen who would donate the eggs to us. Those eggs have to be treated quite carefully.

(More on Caviar, Page 16A)

Caviar

From Page One

"We then could start a small facility to take care of the eggs which would be washed and salted. And we're thinking of setting up a small canning facility.

"It would be a Made-In-Montana produce. We'd call it Montana Caviar, I suppose."

Carlson said that Kathy Nedens, executive director of the chamber, explored the sales possibilities of the caviar and found there would be no problem in selling it.

"Paddlefish are just a shade under sturgeon for the quality of the caviar," Carlson said. "We contacted a food broker in California and she said she didn't even need a test. She knew what the quality was and could handle any amount we could get her."

The plan to market paddlefish eggs isn't new. It came up before about 10 years ago. At the time, however, the Montana Department of Fish and Game opposed the plan, saying it could lead to widespread poaching and over-harvest of the fish.

Because paddlefish are such a long-lived species, over-harvest could hurt the Intake paddlefish population for decades.

Regulations at the time, however, were more wide open for paddlefish. Now, fishermen are limited to two a year and are issued tags which must be attached to paddlefish taken at Intake.

Carlson said that he met with Fish, Wildlife and Parks representatives last week in Miles City and they indicated the plan would likely be opposed again. The reasons were poaching, once again, and the possibility that violators might forge the plastic paddlefish tags and get around the law that way.

Although the annual paddlefish spawning run at Intake is relatively short, running just a couple of months each year, there's still a chance to make big profits on the eggs.

Nedens said her research found that about 1,777 female paddlefish are caught there each season and each one contains seven to 10 pounds of eggs.

"The eggs would sell for $30 to $40 per pound. If everyone donated their eggs, it would generate about 14,000 pounds of eggs that would be sold for approximately $400,000," Nedens said. "Even if you cut that in half, $200,000 is a lot to work with."

The Glendive chamber would set up the non-profit corporation and a separate committee made up of representatives of outdoor organizations to decide where the money would be spent.

"Our proposal is for 50 percent of the money to go to enhance outdoor recreational activities in Eastern Montana like improving fishing access, habitat, campgrounds and fisheries," Carlson said. "The other half would go to the Glendive chamber which would solicit proposals for community development in the Glendive area. Our first priority would be a Montana entrance visitor center on I-94 for people coming into Montana."

Johnson said he has found support from other legislators since introducing the bill in the state house.

"It's a wasted natural resource. In a good year, there's a tremendous amount of eggs that get thrown away," Johnson said. "We have found a buyer for it. Why not use it for development in eastern Montana."

The bill will come up for hearing before the House Fish and Game Committee next Wednesday.

HB 289
3/2/89

RANGER REVIEW
Glendive, MT
January 22, 1989

DCC, paddlefish hearings scheduled

By Ranger-Review Staff

Two matters of direct concern to Glendive — Dawson Community College's budget and a proposal to turn paddlefish roe into profitable caviar — will be before the Montana Legislature this week.

DCC President Don Kettner presented his budget request Thursday morning to the education subcommittee of the legislature's appropriation committee.

He said Friday he felt "fairly good" about the presentation until getting a call late Friday to meet with the subcommittee again Monday.

"I don't know what's happening," he said.

The Fish and Game Committee of the Montana House will hold a hearing at 3 p.m. Tuesday on a bill which would allow Intake fishermen to donate the roe of their paddlefish to a nonprofit corporation for use in caviar production.

Rep. Betty Lou Kasten, R-Brockway, whose District 28 encompasses West Glendive, sits on the Fish and Game Committee.

House Bill 289 is being promoted by the Glendive Area Chamber of Commerce and Agriculture.

The chamber hopes to be designated as the nonprofit corporation involved in caviar production from Intake paddlefish.

The bill specifies that only the roe of tagged paddlefish taken during regular paddlefish season at Intake may be donated for caviar.

The Department of Fish, Wildlife and Parks is given the responsibility of supervising thhe collection of the roe.

It also states that after deducting the cost of collecting paddlefish roe, the nonprofit corporation will use any profits to enhance and develop fishing access, habitat, campgrounds and fisheries in the area of the Intake fishing access site and to provide information on tourism and recreation in the area.

Glendive residents also will be watching later in the week as the Montana Fish and Game Commission meets Wednesday and Thursday to make a final decision on whether to begin charging entrance fees to state parks, including Makoshika State Park.

The fee proposal drew some support, but a great deal of criticism, at a public meeting in Glendive Jan. 11.

Kasten, during a telephone call-in session with local residents at the Dawson County Courthouse on Wednesday, said attempts are being made to "jar money loose" from the FWP's license revenues for state parks.

Her comment came in response to a question from Intake-area farmer Mary Sobotka who asked whether it would be possible to transfer some of the hunting and fishing license revenues to the general fund since the licenses are for game animals which are considered public property.

The call-in session was the first in what will be weekly conference calls with local residents while the legislature is in Helena.

The phone call comes into the Dawson County Courthouse community room and goes through a speaker so that everyone in the room can hear. Those wishing to ask questions of legislators use a microphone.

DATE 3/2/89

COMMITTEE ON Fish & Game

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppose
Mike Carlson	Glendive Chamber of Com.	HB 289	X	
Kathy Redeen	Glde Chamber of Commerce	HB 281	X	
Curt Meade	Glde. Cambek of Comm	289	X	
George Holton	Montana Chapt Amer. Fish Soc.	289		X
Janet Ellis	Audubon	289		X
Wyatt VanSickle	Self	289		
Betty Lou Foster	Dist #28	289	X	
DAVID L. GENTER	SELF	289		X

(Please leave prepared statement with Secretary)

Discussion: None

Amendments and Votes: None

Recommendation and Vote: Sen. Jenkins moved to pass the bill. It was passed on a voice vote. BE CONCURRED IN.

EXECUTIVE SESSION ON HOUSE BILL 596

Discussion: It was mentioned by Mr. Ron Marcoux that HB 165 is in executive action at this time. If it is passed HB 596 will not be needed. They did not vote on the bill.

DISPOSITION OF HOUSE BILL 289

Discussion: Sen. Bishop suggested a quota on the number of fish that should be caught. From 1972 to 1987 70% of all fish caught at the intake were female. There were 3,570 fish caught total per year for those years. The females are the only ones needed for roe. Using the smallest figures at $30 per pound the gross amount per year for roe would be about $600,000. I think we should amend this bill to cap it at 3500 fish per year. Once that quota is reached (total fish, not just females) the season shuts down.

Mr. Marcoux stated that the Department has the authority to shut down a season. The season has to be monitored closely. He suggested monitoring the number of eggs that are ultimately taken as a controlling measure to provide a covering mechanism to prevent over-harvest. Some years the harvest level has been extremely low and other years the harvest went over 4,000 fish. There will be fluctuation. If there are several low years you may be able to take, comfortably, more than the quota. I would prefer to use the egg number (pounds of eggs) as the cap instead of the fish number. Until we gain some experience we will just have to work through this.

Sen. Yellowtail asked Rep. Johnson about his estimated projection of a 50% donation. Rep. Johnson stated that he put that there because the fishermen are not required to donate their fish. They do so out of the kindness of their own heart. They would not want to donate the fish if they wanted to mount it.

Sen. Jacobson asked Rep. Johnson if there is anywhere in the bill that states the fish being donated has to have a tag on it anywhere. Rep. Johnson stated that they will only take a legally caught, tagged fish.
Sen. Yellowtail asked Pat Graham of MT FWP about a man who

illegally caught 117 paddlefish in Baton Rouge, LA. How could a person harvest paddlefish illegally? Mr. Graham stated that the typical method is to use gill nets.

Mr. Don Chance stated that for a temporary period of time you have created a potential for black market. Sen. Jacobson mentioned that that person would have to find someone who was willing to purchase the eggs from the illegal fish. The question is would this give them a further incentive to do that.

Sen. Rapp-Svrcek mentioned concern about this bill and this is a fish we don't know much about.

Amendments and Votes: Sen. Bishop moved an amendment. See Exhibit #5. It passed on a voice vote. UNANIMOUS.

Recommendation and Vote: Sen. Jenkins moved the bill as amended. There was a roll call vote (See roll call vote sheet). The bill passed. AND AS AMENDED BE CONCURRED IN.

ADJOURNMENT

Adjournment At: 2:54 p.m.

ELMER D. SEVERSON, Chairman

LAB/FISMIN.309

FISMIN.309

ROLL CALL

FISH AND GAME COMMITTEE

51st LEGISLATIVE SESSION -- 1989 Date 3/9/89

NAME	PRESENT	ABSENT	EXCUSED
Sen. Elmer Severson	X		
Sen. John Anderson Jr.	X		
Sen. Judy Jacobson	X		
Sen. Al Bishop	X		
Sen. Paul Rapp-Svrcek	X		
Sen. Loren Jenkins	X		
Sen. Bill Yellowtail	X		

Each day attach to minutes.

SF-2 (Rev. 1987)

HB - 289

SENATE FISH AND GAME
EXHIBIT NO. 4
DATE March 9, 1989
BILL NO. HB289
exec session

2.2 Estimate of Eggs Donated
Based upon 1987 office memorandum
Dept. of Fish, Wildlife and Parks
Dated 2/1/89
"Paddlefish and paddlefish
Myler Info for Intake"

1987 - Harvest Objective - 5,000 fish

1987 - Fish Taken - 2,612

Fish Kept - 2,612

Percentage of Females 77%

2,011 females - each containing 8 lbs Roe

8 x 2011 = 16,088 lbs Roe

High Estimate for Prime Roe - $35 per lb.

16088 x $35.00 = $563,080

A 50% donation would = $281,540

2.4 Estimated Operation Cost 45,000

100% Donation	50% Donation
563,080	281,540
45,000	45,000
518,080	236,540

FWP = 259,040	FWP = 118,270
Non-Profit = 259,040	Non-Profit = 118,270

SENATE STANDING COMMITTEE REPORT

March 10, 1989

MR. PRESIDENT:

We, your committee on Fish and Game, having had under consideration HB 289 (third reading copy -- blue), respectfully report that HB 289 be amended and as so amended be concurred in:

Sponsor: Johnson (Tveit)

1. Page 2, line 4.
Strike: "and"

2. Page 2.
Following: line 4
Insert: "(4) a provision that the total number of paddlefish taken in the Yellowstone River Basin may not exceed 3,500 in any year; and"
Renumber: subsequent subsection

3. Page 4, line 9.
Following: "PURSUANT TO"
Insert: "the rules provided for in"

4. Page 5, line 7.
Strike: "UNDER"
Insert: "pursuant to the rules provided for in"

SENATE FISH AND GAME
EXHIBIT NO. 5
DATE March 9, 1989
BILL NO. HB289

AND AS AMENDED BE CONCURRED IN

Signed: Elmer D. Severson

Elmer D. Severson, Chairman

scrhb289.310

ROLL CALL VOTE

SENATE COMMITTEE FISH AND GAME

Date March 9, 1989 House Bill No. 289 Time

NAME	YES	NO
Sen. Elmer Severson	X	
Sen. John Anderson Jr.	X	
Sen. Judy Jacobson		X
Sen. Al Bishop	X	
Sen Paul Rapp-Svrcek		X
Sen. Loren Jenkins	X	
Sen. Bill Yellowtail		X

Lucy Borer
Secretary

Sen. Severson
Chairman

Motion: Sen. Jenkins moved to pass the bill as amended.
AND AS AMENDED BE CONCURRED IN

SF-3 (Rev. 1987)

possible for a person to be launched from a sailboard? When a person falls off the sailboard is it possible for the board to continue traveling? MR. GEORGE: It is possible for a person to be launched. A sailboards mast acts as a weight and stops any travel.

REP. KELLER: Why the 12 year old exempt status? MR. GEORGE: The age was simply a compromise in order to pass the bill.

REP. RANEY: Is there any need for a tether? MR. GEORGE: A tether could be considered in fact dangerous.

REP. KASTEN: What about the possibility of using a ski belt? MR. GEORGE: They would not be used in such cases.

REP. DEBRUYCKER: Would the state be liable for any person drowning in state waters? MR. BLAINE: To my knowledge, in a broad sense, the state would not be liable.

Closing by Sponsor:

REP. ELLISON: closed to the Committee with a recommendation for a "do pass" on House Bill 288.

HEARING ON HOUSE BILL 289

Presentation and Opening Statement by Sponsor:

REP. JOHNSON: This bill would provide income for designated non-profit organizations from an already disposed by-product of the paddlefish.

List of Testifying Proponents and What Group They Represent:

Ms. Kathy Nedens/ Ex. Director of Glendive Chamber of Commerce (See Exhibit #15)

Mr. Gary Marigard/ Marketing Administration Officer, Glendive (See Exhibit #16)

Ms. Kathy Spar/ Glendive Forward, Glendive (See Exhibit #17)

List of Testifying Opponents and What Group They Represent:

Mr. Ron Marcoux/ Dept. of Fish, Wildlife and Parks, Helena (See Exhibit #18)

Mr. George Holton/ MT. Chapter of the American Fishery

Society, Helena (See Exhibit #19)

Mr. Bill Holdorf/ MT. Wildlife Federation, Butte (See Exhibit #20)

Ms. Janet Ellis, MT. Audubon Legislative Fund, Helena (See Exhibit #21)

Mr. David Jenjer

Testimony:

Please refer to attached Exhibits for contents of testimony listed above.

Mr. Jenjer: The species is already in danger and need protection from any further pressures of commercialism.

Questions From Committee Members:

REP. ELLISON: Are there presently any statistics noting a decrease in the paddlefish population? MR. MARCOUX: Presently, I have no information indicating that. The Dept. would implement some regulations if there were any concerns in the area of over harvesting. REP. ELLISON: Are there any problems in the state in regard to poaching? MR. MARCOUX: (deferred to Mr. Kent of the Dept.) Presently there are no problems, but several other states have reported difficulties in regard to the commercialization of animal by-products.

REP. PHILLIPS: What about the processing of the roe and the possibility of increase in poaching due to the sale of the roe? MS. NEDEN: The procedure for storing and processing of the roe is so strict that I feel the possibility of poachers having the knowledge to carry that out is unlikely.

REP. KASTEN: How, after selling a license for paddlefish, could the Dept. have jurisdiction over the sale of the roe? MR. MARCOUX: The Dept. sees the potential for high dollars to be gained in the sale of roe and maintains control over how the funds are used. The potential for overharvesting would be overseen by the Dept., to prevent this from occurring.

Closing by Sponsor:

REP. JOHNSON: closed addressing the Committee vote a "do pass" for House Bill 289.

DAILY ROLL CALL

FISH AND GAME COMMITTEE

51st Session - Legislative Council

Date January 24th

NAME	PRESENT	ABSENT	EXCUSED
Bob Ream, Chairman	✓		
Jim Elliott, Vice-Chair	✓		
Robert Blotkamp	✓		
Ben Cohen	✓		
Fritz Daily	✓		
Gene DeMars	✓		
~~Bob Pavlovich~~ Bob Geneis	✓		
Bob Raney	✓		
Bill Strizich	✓		
Roger DeBruycker	✓		
Orval Ellison	✓		
Ralph Eudaily			✓
Marian Hanson	✓		
Betty Lou Kasten	✓		
Vernon Keller	✓		
John Phillips	✓		

EXHIBIT #03
DATE 1/24/89
HB 288, 289, 290

BILL SYNOPSIS

HOUSE FISH AND GAME COMMITTEE--JAN. 24

PREPARED BY DOUG STERNBERG, COMMITTEE STAFF

HOUSE BILL 288

Sec. 1: exempts a sailboard operator age 12 or older from the Coast Guard flotation device standards

Sec. 2: excludes sailboard operators who do not wear flotation devices from "prohibited operation" enforcement statute

Sec. 3: grants to sailboard operators the same rights-of-way presently allowed to sailboats

Sec. 4: extends present rulemaking authority

HOUSE BILL 289

Sec. 1: allows a fisherman to donate roe (eggs) from a paddlefish that is legally caught at the time and place specified in subsection (3)(a) to a nonprofit Montana corporation for processing as caviar; requires department supervision of the donation; specifies how profits from caviar production must be used

Sec. 2: exempts donation and sale of paddlefish roe from "unlawful possession and sale" statute

Sec. 3: extends present rulemaking authority

HOUSE BILL 290

Sec. 1: allows ice fishing without holding the rod in hand as long as visual contact is maintained

Sec. 2: extends present rulemaking authority

Sec. 3: provides an immediate effective date

EXHIBIT 14
DATE 1/24
HB 289

PADDLEFISH ROE PROPOSAL
House Bill 289
Rep. John Johnson
Glendive Chamber of Commerce

JOSEPH F. CRISAFULLI
P.O. BOX 1354
GLENDIVE, MONTANA 59330
406-365-2474

January 23, 1989

Rep. Bob Ream, CHR
Fish and Game Commission
Helena, MT 59601

RE: House Bill 289

Dear Sirs:

I have long felt that the roe of the paddlefish, which is of considerable value as caviar of excellent quality, should not be wasted because it would be a good source of income for the state.

All paddlefish roe should be the property of the state instead of being donated.

In fact, many years ago I wrote Ted Schevinden concerning this matter, but it was not considered feasible for the state to engage in this sort of business.

I recently suggested that the Glendive Chamber of Commerce look into the possibility of producing the caviar as a revenue source.

I have offered to donate a commercial sized pressure cooker and some expertise. My family once canned sweet corn.

There are numerous empty buildings in Glendive which could be leased for two or three months during the paddlefish run, or perhaps "donated" for that short period.

My feeling is that the cost of producing the caviar should not be prohibitive. This should be a project that will not cost the taxpayers, but should make some income for the state and local community.

Sincerely,

Joseph F. Crisafulli

JFC/jjp

Glendive Area Chamber of Commerce and Agriculture

200 N. Merrill • P.O. Box 930
Glendive, Montana 59330
Phone (406) 365-5601

January 22, 1989

Rep. Bob Ream, CHR
Fish and Game Committee
Helena, MT 59620

Dear Members of the Fish & Game Committee:

A committee of the Glendive Area Chamber of Commerce and Agriculture has studied and drafted a proposal to use a presently discarded natural resource to benefit not only our community, but impact Eastern Montana as a whole. In our present stage of economic struggle, we need to view this proposal from three aspects.

1. The proposal will generate revenues to enhance fishing accesses, fund recreational improvements and develop tourist centers to provide hunters, fishermen, snowmobilers and travelers information as they enter Montana from the east.

2. The proposal is two-fold because again we have an added value as a "Made in Montana Product."

3. By using tagged fish, only on strictly volunteer basis, which only a non-profit organization could justifiable afford to do, we are protecting and preserving the species.

The Glendive Area Chamber of Commerce and Agriculture has established the ground work necessary to process and market the product and we have proposed the distribution of profits. The break down of which is included in the project summary you have been supplied.

Sincerely,

Kathy Nedens

Kathy Nedens
Executive Director

KN/re

RANGER REVIEW
Glendive, MT
Nov. 13, 1988

Chamber readies local caviar proposal

By GINNY ARCHDALE
Ranger-Review Staff Writer

With less than two months to go before the beginning of the 1989 Montana legislative session, the Glendive Area Chamber of Commerce and Agriculture is kicking into higher gear its efforts to develop a local caviar business.

The idea was first discussed by the chamber last April.

Mike Carlson, chamber president, Thursday reviewed with other chamber board members a draft written proposal for using paddlefish roe to make caviar.

He said he will be taking the proposal to a meeting with the chairman of the Montana Fish and Game Commission later this month.

One section of the proposal notes that state laws which currently prohibit the use of any game animal for commercial interests may have to be changed.

The proposal suggests that a bill be drafted to that effect, and that the bill also define where the income from the caviar would be spent.

The chamber proposes half the net profits of the operation go to the chamber, with half going to the state Department of Fish, Wildlife and Parks.

The chamber would use its share for projects such as a year-round staffed Gate City Visitor Center near Interstate 94 to provide information to tourists, sportsmen and snowmobilers. It also suggests fisheries or biology scholarships to Dawson Community College and other community projects such as swimming pool improvements, library, fairground improvements and a community center.

The proposal suggests FWP use its share of the caviar profits for Eastern Montana projects such as replacing the existing bridge into the Intake fishing area, paving the road into Intake, improving campgrounds on both sides of the river at Intake, building more access sites to the Yellowstone River for fishermen, repairing and maintaining off-stream dams in Eastern Montana, constructing new dams, paving the Makoshika State Park road and improving campsites in Makoshika.

The amount of money available would depend on the contract price for caviar and the extent of the paddlefish run in a given year.

The chamber estimates 15,000 to 20,000 pounds of roe would be available each year.

The written proposal doesn't list a price for caviar, but in April Chamber Director Kathy Nedens noted it sells for between $30 and $50 an ounce.

The chamber's proposal calls for the chamber to hire people who would be at Intake around the clock during paddlefish season to clean the paddlefish, extract the eggs and keep them refrigerated.

The roe would be transported to Glendive where it would be washed, salted and canned before being sold to a retailer. Or another option would be to do minimal initial processing in Glendive and then send it in drums to a retailer who would properly age, can and market it.

The proposal states the chamber would need to find capital and expertise to develop the processing facility.

Carlson noted Montana Gov. Ted Schwinden has been opposed to the proposal in the past.

In a letter to businessmen Joe Crisafulli Sr., in 1985, Schwinden cited fears that a commercial operation would adversely affect the paddlefish population and create enforcement problems.

Crisafulli had done some research into the possibilty of making paddlefish caviar.

The chamber's proposal addresses concerns about controlling violations, saying that due to the two fish limit and tougher enforcement at Intake, violations shouldn't be a problem.

The proposal states no mon would be paid to fishermen for t roe, which would be voluntar donated to the chamber. The r would be accepted from tagged f only.

Carlson also noted the goverr ship is changing hands, which co mean changes on the Fish and Ga Commission as well. While t makes starting a push for approva the project difficult, he said it ha be done now because of the nee change laws in the upcom legislative session.

He noted local members Walleyes Unlimited have been sulted about the proposal and t have indicated their appro especially if the profits can be use make fishing better in the area.

"I see no difference between us the paddlefish eggs and selling hides," Carlson said.

RANGER REVIEW
Glendive, MT
May 1, 1988

Chamber wants local caviar developed

By ROGER LOCKWOOD
Ranger-Review Staff Writer

The Glendive Chamber of Commerce in the caviar business?

According to Kathy Nedens, chamber director, it's a good idea for the community as well as the Department of Fish and Game.

The Glendive Chamber of Commerce has resurrected an old idea which has been tried and inquired about in the past by local and out-of-state businesspeople. That idea is the commercial processing of paddlefish roe, otherwise known as caviar. According to Businessman Joe Crisafulli Sr., he has had the idea to sell the paddlefish eggs for years.

Twenty years ago Crisafulli sent a sample of the roe to a New York firm. Their only reply was they wanted to know when it could be sent. The paddlefish roe, according to Crisafulli, is as high a quality as the famous Russian sturgeon variety.

But Crisafulli's idea was stopped by a state law which states that no part of any game animal can be used or sold for commercial interests.

In an advisory capacity only, Crisafulli is providing the basic information to the chamber needed to begin an operation to process the roe to caviar. Crisafulli said he has canned corn commercially in the past and understands the basics of the process.

According to Nedens, the first step will be to write a proposal to the Department of Fish, Wildlife and Parks (FWP) officials on what they plan to do with the roe and how they plan on carrying the project out.

If the proposal is approved, the chamber would hire three to five seasonal employees to collect the eggs at Intake from anglers, where the paddlefish are caught. Anglers would bring the fish to a central area and have them cleaned. The row would be processed and taken to Glendive for canning.

The most difficult step would be a lobby effort to change legislation prohibiting commercialization of wildlife products at next year's session.

Nedens said Carl Knutson, a BN employee in Glendive, will be actively lobbying to change the law and also helping the chamber with writing a new bill.

The third and final step would be to carry out the plan. Crisafulli feels there are enough empty buildings in town to handle a processing facility. Crisafulli also plans on donating a 500- to 600-gallon pressure cooker, which is used in the canning process.

In past inquiries by Crisafulli, the state officials have rejected the idea of commercialization of paddlefish roe.

In a letter dated Jan. 10, 1985 to Crisafulli, Gov. Ted Schwinden cited several problems with the idea:

—The fragile character of the paddlefish and the effect a commercial effort would have on its population.

—The difficulty of management because of its slow maturation period and the high turnover which commercialization would induce.

—With commercialization there would be a number of enforcement problems.

—The high commercial value might add additional incentives for some anglers to violate regulations.

In the letter, FWP also acknowledged they know roe is being tossed into garbage cans and represents a wasted resource. They stated they "fear that an atttempt to legalize the sale of roe would jeopordize both the Yellowstone and Missouri paddlefish populations and destroy the sport fisheries that depend on them."

But according to Nedens, the proposal they are going to offer FWP would make the roe the property of the state. The chamber would collect the roe, return the rest of the fish to the angler and split the profit 50/50 with FWP.

Nedens said they will not be taking anymore fish than are currently being harvested. They will simply be taking the roe. Currently the roe is either taken home by the angler or thrown in the dumpster. Both Crisafulli and Nedens feel it is a wasted resource.

The chamber plans on using the money primarily for promotion of the Glendive area and fishing resources. Nedens said the very least the chamber stands to make would be around $750,000 a season. Caviar sells for around $30 to $50 an ounce, according to Nedens. The female paddlefish can contain up to 30 pounds of roe at the best.

"Even if we only made $10,000 a season, it would help the chamber out," Nedens said.

Gerald Frank, a representative of Walleyes Unlimited in Glendive, said he is personally in favor of the proposal. "Anything that will promote fishing and help improve the fishing accesses I would be for," Frank said. He added that he will approach the state Walleye association soon to ask for support for the proposal.

RANGER REVIEW
Glendive, MT
January 22, 1989

DCC, paddlefish hearings scheduled

By Ranger-Review Staff

Two matters of direct concern to Glendive — Dawson Community College's budget and a proposal to turn paddlefish roe into profitable caviar — will be before the Montana Legislature this week.

DCC President Don Kettner presented his budget request Thursday morning to the education subcommittee of the legislature's appropriation committee.

He said Friday he felt "fairly good" about the presentation until getting a call late Friday to meet with the subcommittee again Monday.

"I don't know what's happening," he said.

The Fish and Game Committee of the Montana House will hold a hearing at 3 p.m. Tuesday on a bill which would allow Intake fishermen to donate the roe of their paddlefish to a nonprofit corporation for use in caviar production.

Rep. Betty Lou Kasten, R-Brockway, whose District 28 encompasses West Glendive, sits on the Fish and Game Committee.

House Bill 289 is being promoted by the Glendive Area Chamber of Commerce and Agriculture.

The chamber hopes to be designated as the nonprofit corporation involved in caviar production from Intake paddlefish.

The bill specifies that only the roe of tagged paddlefish taken during regular paddlefish season at Intake may be donated for caviar.

The Department of Fish, Wildlife and Parks is given the responsibility of supervising thhe collection of the roe.

It also states that after deducting the cost of collecting paddlefish roe, the nonprofit corporation will use any profits to enhance and develop fishing access, habitat, campgrounds and fisheries in the area of the Intake fishing access site and to provide information on tourism and recreation in the area.

Glendive residents also will be watching later in the week as the Montana Fish and Game Commission meets Wednesday and Thursday to make a final decision on whether to begin charging entrance fees to state parks, including Makoshika State Park.

The fee proposal drew some support, but a great deal of criticism, at a public meeting in Glendive Jan. 11.

Kasten, during a telephone call-in session with local residents at the Dawson County Courthouse on Wednesday, said attempts are being made to "jar money loose" from the FWP's license revenues for state parks.

Her comment came in response to a question from Intake-area farmer Mary Sobotka who asked whether it would be possible to transfer some of the hunting and fishing license revenues to the general fund since the licenses are for game animals which are considered public property.

The call-in session was the first in what will be weekly conference calls with local residents while the legislature is in Helena.

The phone call comes into the Dawson County Courthouse community room and goes through a speaker so that everyone in the room can hear. Those wishing to ask questions of legislators use a microphone.

The Billings Gazette
Saturday, Jan. 21, 1989

Bill backs Glendive caviar idea

By MARK HENCKEL
Gazette Outdoor Editor

Glendive would become the caviar capital of Montana under legislation proposed to allow the processing and sale of paddlefish eggs in the Eastern Montana city.

The legislation, House Bill 289 introduced by Rep. John Johnson, D-Glendive, would set up a non-profit corporation that would collect eggs donated by fishermen who snag paddlefish making their spring spawning run up the Yellowstone River to Intake Diversion Dam.

Money generated by the eggs would then be used to fund outdoor recreational activities in Eastern Montana and act as seed money for community development projects in the Glendive area.

The bill was the brainchild of the Glendive Chamber of Commerce and proposes to make use of something that's presently being hauled away as garbage. At present it is illegal to sell the eggs, or any wild game.

"Right now, there are fish cleaned right there and the eggs are being thrown away," said Mike Carlson, chamber president. "Over the past 10 years, there has probably been a million dollars worth thrown away.

"We envision hiring somebody to clean the fish for free for fishermen who would donate the eggs to us. Those eggs have to be treated quite carefully.

(More on Caviar, Page 16A)

Caviar

From Page One

"We then could start a small facility to take care of the eggs which would be washed and salted. And we're thinking of setting up a small canning facility.

"It would be a Made-In-Montana produce. We'd call it Montana Caviar, I suppose."

Carlson said that Kathy Nedens, executive director of the chamber, explored the sales possibilities of the caviar and found there would be no problem in selling it.

"Paddlefish are just a shade under sturgeon for the quality of the caviar," Carlson said. "We contacted a food broker in California and she said she didn't even need a test. She knew what the quality was and could handle any amount we could get her."

The plan to market paddlefish eggs isn't new. It came up before about 10 years ago. At the time, however, the Montana Department of Fish and Game opposed the plan, saying it could lead to widespread poaching and over-harvest of the fish.

Because paddlefish are such a long-lived species, over-harvest could hurt the Intake paddlefish population for decades.

Regulations at the time, however, were more wide open for paddlefish. Now, fishermen are limited to two a year and are issued tags which must be attached to paddlefish taken at Intake.

Carlson said that he met with Fish, Wildlife and Parks representatives last week in Miles City and they indicated the plan would likely be opposed again. The reasons were poaching, once again, and the possibility that violators might forge the plastic paddlefish tags and get around the law that way.

Although the annual paddlefish spawning run at Intake is relatively short, running just a couple of months each year, there's still a chance to make big profits on the eggs.

Nedens said her research found that about 1,777 female paddlefish are caught there each season and each one contains seven to 10 pounds of eggs.

"The eggs would sell for $30 to $40 per pound. If everyone donated their eggs, it would generate about 14,000 pounds of eggs that would be sold for approximately $400,000," Nedens said. "Even if you cut that in half, $200,000 is a lot to work with."

The Glendive chamber would set up the non-profit corporation and a separate committee made up of representatives of outdoor organizations to decide where the money would be spent.

"Our proposal is for 50 percent of the money to go to enhance outdoor recreational activities in Eastern Montana like improving fishing access, habitat, campgrounds and fisheries," Carlson said. "The other half would go to the Glendive chamber which would solicit proposals for community development in the Glendive area. Our first priority would be a Montana entrance visitor center on I-94 for people coming into Montana."

Johnson said he has found support from other legislators since introducing the bill in the state house.

"It's a wasted natural resource. In a good year, there's a tremendous amount of eggs that get thrown away," Johnson said. "We have found a buyer for it. Why not use it for development in eastern Montana."

The bill will come up for hearing before the House Fish and Game Committee next Wednesday.

Best Western
WORLDWIDE LODGING

Holiday Lodge

January 20, 1989

Rep. Bob Ream; Chairman
Fish and Game Committee
Capitol Station
Helena, MT 59620

Dear Fish and Game Committee Members:

It would appear that we have at last opportunity in House Bill 289 to address the wasteful practice of discarding paddlefish eggs simply because we have not been big enough to work through accompanying problems.

I don't know how any one who believes Montana's wealth should not be wasted could in good conscience long tolerate this blatant disregard for the potential value of this natural resource. It not only could enhance Montana's economy for the eggs in the raw state, but it also has the potential for the value added in processing, marketing, and the sale in the form of caviar.

The Glendive Chamber of Commerce should be applauded for bringing this type of legislative opportunity to us and I urge your support.

Yours sincerely,

Curt Meeds

Curt Meeds, President

CM:jc

Box 741 . 222 N. Kendrick . Glendive, Montana 59330 . (406) 365-5656

My name is Mike Carlson and I am president of the Glendive Chamber of Commerce and Agriculture. I am here today to express my support for House Bill 289. I am a graduate of the University of Missoula school of Forestry in Natural Resource Conservation. I have worked 15 years now in the soil conservation field in Montana.

I have been working on this proposal for a year and it has considerable support in the Glendive area. Paddlefish have been caught at the Intake fishing area, 18 miles north of Glendive since 1962. At this fishing site on the Yellowstone River, there is a large rock diversion dam for irrigation purposes. The fish have a hard time crossing this barrier on their way upstream and congregate here. Fishermen come from all over the U.S. to catch these fish which average 60 lbs. and can weigh up to 100 lbs. The catch is limited by law to 2/per person. An average of 2,000 fish a year are caught at this site during a 2-month period. Many fishermen clean their fish here using a MT Fish, Wildlife & Parks cleaning station. Our organization would like to collect the eggs from the female fish as they are cleaned here. Presently they are dispossed of in a landfill.

These fish eggs can be sold as caviar. Around 10 years ago, a private businessman in Glendive tried to collect the eggs but was turned down by MT Fish, Wildlife, & Parks. Our proposal is non-profit with all proceeds after expenses to be used in a beneficial manner.

Why do we want the potential income from this proposal? The Glendive area has been hit hard by the loss of our oil related industries and a depressed agriculture economy in the 1980's. Our tax base has been lowered and our economy is depressed.

We would like to find a source of revenue to upgrade some of our public services such as our library, parks, swimming pool and others. Dollars generated from the sale of caviar could be used as seed money when applying for many grants available.

We would also like to develop a MT entrance tourist center on I-94 to provide information to the many hunters, fishermen, snowmobilers, skiers, and tourists who come here from the east. We would like to retain 50% of the profits for these activities.

We also would like to find a source of revenue to fund outdoor recreation improvements in eastern Montana. We hear of the need for improvements in our State parks & recreation areas but state funds are short. There are many ideas sportsmen have for improving outdoor activities. A special outdoor recreation committee would be set up to solicit proposals and fund worthwhile projects that are proposed. Fifty percent of the profits would be allocated to this committee. I would like to see Section 1 (3) (c) revised so that 50% of the revenue goes to the Glendive Chamber of Commerce & Agriculture for their use and 50% to the outdoor recreation committee as specified in our proposal.

Attached is a project summary on the proposal for the commercial use of paddlefish roe.

Mike Carlson

Mike Carlson, President
Glendive Chamber of Commerce &
Agriculture

FACT SHEET

STATISTICS

1983-1987 70% of all fish caught at Intake are female. 1777 females per year, with an average weight of 60lbs. Approximately 8lbs. of eggs per female fish.

Price of caviar: $30.00-$40.00/lb.

PROCESS

Eggs are collected and transported to a state approved processing facility in Gldv. The eggs are washed, screened, placed in a brine solution, and packaged in 3 gal. containers. Containers are shipped, in refrigerated trucks, to food brokers for further processing and marketing.

FACILITY STATISTICS

Building site and processing equipment already available to the Glendive Chamber of Commerce. Expertise in processing and marketing of caviar has been acquired by the Gldv. Chamber of Commerce.

Employ 6-12 people for a 2 month period.

BUSINESS CONTACTS

Department of Commerce - Helena, Mt.
Small Business Administration-Gldv., Mt.
Bear Creek Fisheries - Libby, Mt.

Project Summary

PROPOSAL FOR THE COMMERCIAL USE OF PADDLEFISH ROE
By: The Glendive Chamber of Commerce & Agriculture
January, 1989

1. PURPOSE: To collect paddlefish eggs (roe) at the Intake fishing area each spring from paddlefish caught by fishermen. Presently they are disposed of in a landfill. After collection the roe can be processed, canned and marketed as caviar. The sale of this "Made in Montana" product could produce significant revenue.

2. PROPOSAL: The Glendive Chamber of Commerce would collect the eggs from tagged paddlefish only with permission of the Montana Fish and Game Commission and the Montana Department of Fish, Wildlife, and Parks. The Glendive Chamber of Commerce would provide free fish cleaning to those fisherman who would voluntarily donate the roe.

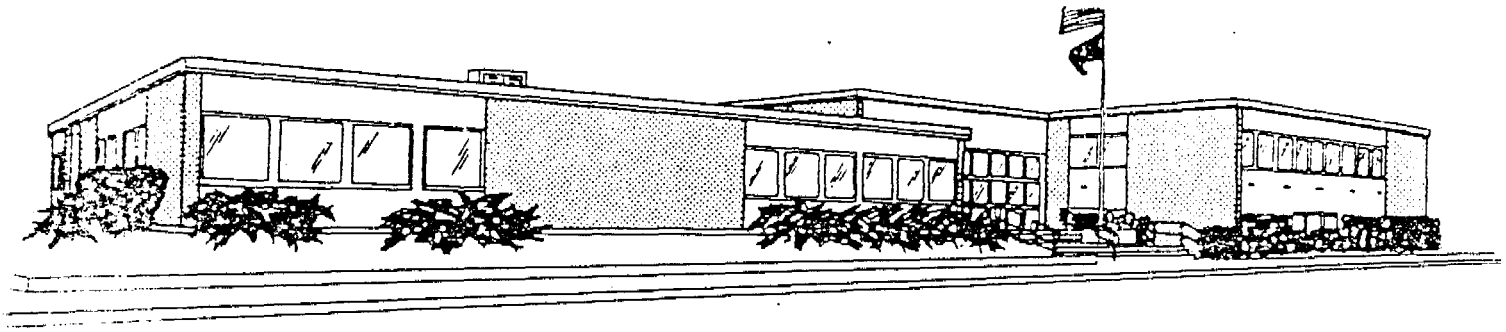
3. DISTRIBUTION OF PROFITS: An amount of the profits equal to that year's expenses will be reserved to fund the following year's operation. The remainder of the profits will be distributed as follows:

One-half of the proceeds from the sale of paddlefish egg products, in excess of the costs of collection, processing, marketing and administration, will be deposited in a state special revenue fund established for the department. . The fund and any interest earned thereon, will be used to benefit the paddlefish fishery, including fishing access, improvements, habitat and fisheries management and/or to provide information to the public regarding fishing in eastern Montana which could include the design and construction of interpretive displays. The department director will establish an advisory committee pursuant to 2-15-122 consisting of a member from the Montana nonprofit organization, an area local government representative, and two representatives for area sportsmen. The committee will work with the department in developing recommendations and reviewing projects for the expenditure of these funds.

The other half of the proceeds from the sale in excess of the costs of collection, processing, marketing and administration, will be paid to the nonprofit corporation which processes and markets the roe. This organization will solicit proposals for community development in the Glendive area. One of their priorities will be a Montana Entrance Tourist and Visitor Center on I-94 highway. This will be open year round to provide information to those entering the state from the east on tourism, recreation, sportsman, etc. The non-profit committee will review proposals and fund projects. These dollars can be used as seed money for various grants.

4. LEGISLATIVE CHANGES NEEDED
Change in State law to allow Glendive Chamber of Commerce to harvest and market paddlefish roe.

The Glendive Area Chamber of Commerce and Agriculture will develop a processing facility with the assistance of the Montana Small Business Development Center. This proposal will develop new jobs in the Glendive area.
For more information contact: Glendive Chamber of Commerce



Office of:
County Commissioners
Phone 365-3562
Robert Ziegler
W.M. Harpster
Judy Reddig

County of Dawson

207 W. Bell
Glendive, MT 59330

January 23, 1989

Office of:
Clerk and Recorder
Phone 365-3058
Patricia Peterson

Office of:
County Treasurer
Phone 365-3026
Cindi Hansen

Fish and Game Committee

Re: HB 289, The Paddlefish Roe Bill

The Dawson County Commissioners want to go on record as supporting this bill and ask you committee to give it your favorable consideration.

We are dealing here with a resource that is presently coming from legally taged fish caught at the only place where licensing is required in Montana. The roe is now being thrown away and hauled to the local landfill. With proper processing this is a valuable by-product and could be a substantial source of income for the fish and game and our local chamber of commerce. Profits from the sale of the roe will all go to non-profit organizations and will stay in the community and state.

Sincerely,

BOARD OF COUNTY COMMISSIONERS

Robert Ziegler
ROBERT ZIEGLER, CHAIRMAN

W.M. Harpster
W. M. HARPSTER, MEMBER

Judy Reddig
JUDY REDDIG, MEMBER

Glendive, Montana
59330

Phone (406) 365-3318
300 South Merrill

January 23, 1989

Mr. Bob Ream
Chairman
Fish and Game Committee
Helena, MT 59601

Attention: Chairman Ream and Committee Members

Dear Gentlemen:

I am writing on behalf of the Glendive City Council and myself regarding HB 289. Please give this bill favorable consideration because we feel it will be of great benefit to our community.

This Paddlefish project will be a boost to our economy. Because of the drop in oil prices, our economy has been very poor and we need other small businesses to replace this loss.

Thank you for your time and consideration given to this matter.

Sincerely,

Lester Ollerman

Lester Ollerman
Mayor

OTHER POINTS OF INTEREST:

★ Frontier Gateway Museum —
- Fossils
- Indian Artifacts
- Homesteader Antiques
- Many More Items of Interest

★ Makoshika State Park
5,935 acres of grandeur. Site of an inland sea over 10 million years ago. Fossilized remains of prehistoric animal and marine life are abundant.

★ Glendive Municipal Swimming Pool

★ Tennis Courts

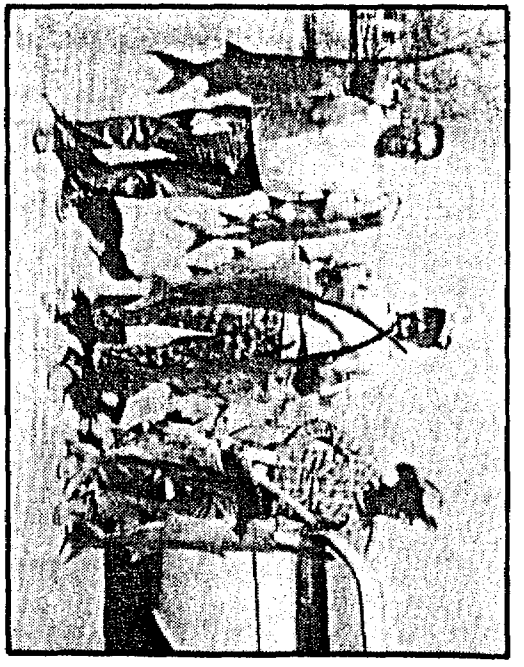
★ Cottonwood Country Club Golf Course

THE BEER JUG

Good Cold Beer & Wine
Complete Sandwich & Pizza Menu
Which Includes
The Famous Swiss Brat

Sporting Goods
Hunting and Fishing Information
Ammo
Rods and Reels
Bait
Lures — Flies
Video Poker

Across from the B.N. Depot
313 North Merrill
Glendive, Montana 59330



From_____

TO:

PADDLEFISH

Lorane Weyer
With Number One
(First Paddlefish Caught In
Yellowstone In 1962)

GLENDIVE, MONTANA

Gateway to the Sportsman's Paradise

EXHIBIT 15
DATE 1/24
HB 289

Mr. Chairman and members of the committee:

My name is Kathy Nedens and I am the Executive Director of the Glendive Chamber of Commerce. I am here today to urge your support of H.B. 289.

During May, June, and the early part of July, anglers from all over the U.S. travel to Intake Diversion Dam, 17 miles north of Glendive to rig up and snag the elusive prehistoric paddlefish of the Yellowstone. Over the years, the great influx of fishermen has given Intake the name "Paddlefish Capital of the World." Paddlefishing is a heritage Glendive has been proud of since 1915. In 1962 interest in the fish exploded and soon State Fish and Game officials had to impose a limit of two paddlefish a season per person. After consulting with wildlife biologists, the Glendive Chamber proposed collecting eggs from tagged fish only on a voluntary basis. This program will protect the paddlefish and insure the preservation of the species. Fishermen will be able to have their fish cleaned and packaged in exchange for donating the eggs, which are presently being hauled to a land fill. An additional measure of protection for the paddlefish species would be provided by an advisory committee. This committee would be formed with an intent to receive a percentage of the profits, after collecting and processing costs, and to use these profits to fund habitat and fishery management in Eastern Montana. The committee representatives should consist of a member of the nonprofit organization in charge of the roe collection, an area local government representative, soil and water conservator representative, and a representative of an area sportsman.

Setting up a facility, processing the roe to caviar, and marketing the product can all be accomplished for a minimal amount of capitol and expertise. The unique concept by the Glendive Chamber of Commerce is to turn a presently discarded natural resource into a product capable of generating revenues to enhance and impact Eastern Montana. The Glendive Chamber of Commerce has received an overwhelming amount of public support for this project, because as a nonprofit private-sector organization we can insure a fair and equitable distribution of the profits to much needed community projects unable to be funded presently due to economic depression and cutbacks in Eastern Montana. Once again, a separate advisory committee should be formed with a percentage of funds set aside to act upon area tourism requests and various community development projects.

EXHIBIT 16
DATE 1/24
HB 289

I'm Gary Mariegard and I serve as the Marketing Administrative Officer at the Small Business Development Center in Glendive, Montana. This office is an arm of the Department of Commerce, Business Assistance Division. The Glendive Chamber of Commerce and Agriculture and Representative John Johnson have requested I provide information on the economic impact, financial, and business rational for House Bill 289. The figures and information used was derived from the Census and Economic Information Center, U.S. Department of Commerce, Bureau of the Census and Eastern Montana College School of Business and Economics.

After studying the legislation I will identify how the program will economically impact the management of the programs, the philosophy behind the Bill and the implications of the make-up of agency responsible for allocation of the funds.

The harvest of the roe and the resulting profits would first, in part, be directed toward the preservation of the species and enhancement of the fishing access. The profits would also be directed toward the economic and community development in Eastern Montana.

I learned that this legislation would assist 78 miscellaneous retail stores, drug and proprietary stores, eating and drinking places, apparel and accessory stores, gasoline service stations, food stores and general merchandise group stores and significantly impact in the current 50+ million dollars in sales. This does not include other direct benefits to hotels, motels and other lodging places, automotive repair, personal services, business service, amusement and recreation services and direct benefits to other counties. These businesses will realize the economic benefit if the profits are used, in part, to increase tourism and invest in other local industry.

I have learned that in the last 10 years wage and salary job losses occurring in manufacturing equalled 6,100 workers. The previous/present administration has declared value-added Montana

products as a primary objective for economic revitalization. This project is value added. To ensure the sound management of the endeavor the business plan would be approved by local lending institutions and consultants in the Business Assistance Division. It would be evaluated on a yearly basis. The product would be first sold to a broker and later marketed directly. This would eliminate middle-men (brokers, wholesalers, etc.) and further increase margin.

I learned from running my own Seattle-based company, Mariegard Merchandising and Consulting, Inc., that industry leaders report they are pressured more and more by the competitive nature of business. A leader said "We have to scrutinize all of our by-products...any extra profit we can realize through the marketing of incidentals may be the difference between the success or failure especially in light of narrow profit margin." No refinery would think of using the gas and wasting the other petroleum products - oils and greases. In the same way we must stop handling paddlefish roe to the landfill.

Finally, I have learned the mission and philosophy of organizations is reflected goals and objectives which it strives to accomplish. That point is especially pertinent in this issue.

Living in Glendive I learned the nonprofit organization has the wide support of the Chamber of Commerce, Glendive Forward and the admiration of the community at large for their entrepreneurial spirit, because they took the initiative attempting to change very hard economic times into something better, a future for the region. The decision to support this bill giving the funds to the local nonprofit development organization rewards local communities for their initiatives, builds their confidence and encourages them to work harder to stabilize local economies and is a step in the right direction.

This is about community revitalization! This is about community spirit!

EXHIBIT #17
DATE 1/24
HB 289

GLENDIVE FORWARD

• An Economic Development Corporation •

• 200 N. Merrill Ave. • P.O. Box 930 • Glendive, Montana 59330 • (406) 365-8612

January 22, 1989

Rep. Bob Ream, CHR
Fish and Game Committee
Helena, MT 59620

Dear Fish and Game Committee Members:

Glendive Forward, as the local development organization, is vitally concerned about the current economic conditions in Eastern Montana. We fully support the efforts of the Glendive Area Chamber of Commerce and Agriculture regarding the Paddlefish Roe project, and ask that you lend your support in endorsing HB 289.

The Paddlefish Roe project, is an example, that through the partnership of Glendive Forward, the city of Glendive, and the Glendive Area Chamber of Commerce and Agriculture, positive steps are being taken for the re-vitalization of the Glendive community.

In this time of economic downturn, drought, decreased oil and gas activity, this community is determined to move forward in a positive way, rather than be discouraged by current events. This resourcefulness and determination reflect the quality of people in Eastern Montana. We take pride in our ability to retrench and move forward in times of adversity.

The broad spectrum of support that the Glendive Area Chamber of Commerce and Agriculture has received from the entire community exemplifies the statement the "WORKING TOGETHER DOES MAKE A DIFFERENCE.

Once again, we urge your endorsement of HB 289.

Sincerely,

Kathy Sparr

Kathy Sparr
Executive Director

KS/re

BETTER FOR BUSINESS
Montana Certified Communities

EXHIBIT 18
DATE 1/24
HB 289

HB 289
January 24, 1989

Testimony presented by Ron Marcoux, Department of Fish, Wildlife & Parks.

The department has historically opposed bills which lead to the commercialization of fish and wildlife. These are public resources and have been traditionally valued for providing sport harvest, viewing and other recreational opportunities.

HB 289 proposes to legalize the collection, processing and selling of paddlefish eggs primarily for use as caviar. The paddlefish is of prehistoric origin and is one of the last relic species in the Missouri River basin. It is only found in one other river system in the world, and that is in China.

The present status of the paddlefish and another prehistoric fish, the pallid sturgeon, is a growing concern for Missouri Basin states. Both fishes are Species of Special Concern in Montana as designated by our department. The pallid sturgeon is presently being reviewed by the federal government for listing as a Threatened and Endangered Species. This could occur by June of 1989.

The paddlefish is a long-lived, migratory fish. Those spawning in the Yellowstone River reside part of the year in Garrison Reservoir, North Dakota. This makes managing them very difficult.

Over the years the popularity of this fish has increased. In response we have had to impose additional restrictions on harvest. At this time we require paddlefish fishermen to have a special tag and limit their harvest to two fish per season. We have also made it illegal to catch and release paddlefish to reduce the practice of high-grading and the subsequent delayed mortality which was observed.

Our concern over commercialization goes beyond a concern for tradition and exploitation of a public resource. With the paddlefish in particular, we have been concerned about the potential for overharvest and illegal harvest. They are limited in numbers and their long lifespan makes accurate management of harvest very difficult. If we make a mistake now by overharvesting spawners, we may not know it for many years.

Amendments to the proposed bill appear to address our concerns by limiting fishermen to a donation of their paddlefish eggs. This should reduce the motivation to overharvest or illegally catch paddlefish. The proposed amendments would also provide sufficient control by the department over the process to minimize the workload on our personnel and assure that a suitable organization was selected to carry out the work.

Regarding the disbursement of resulting funds, the department supports the proposed amendments to the extent that they maintain state and legislative control over expenditures. These monies originate from the sale of animal parts and should be utilized for purposes of maintaining or enhancing area fisheries. This could entail providing fisheries-related information, including interpretive displays.

We propose that an advisory committee be established to develop recommendations and review proposals for the expenditure of these funds. We also support the amendment for a sunset provision to provide the legislature the opportunity to review this program again if this bill is approved.

EXHIBIT 19
DATE 1/24
HB 289

TESTIMONY IN OPPOSITION TO HOUSE BILL 289

by George Holton representing

MONTANA CHAPTER OF THE AMERICAN FISHERIES SOCIETY

January 24, 1989

I am George Holton, speaking for the Montana Chapter of the American Fisheries Society. The American Fisheries Society is the oldest and largest professional society representing fisheries scientists. I was a fisheries biologist for 35 years, 30 of these with Montana Department of Fish, Wildlife and Parks as Chief Fisheries Biologist and Assistant Fish Division Administrator. I am now in private business, my wife and I have a gallery and gift shop here in Helena. We recently joined the Helena Chamber of Commerce. I say this so you will know I am not automatically against chamber of commerce projects.

In 1986 the North Central Division of the American Fisheries Society held a paddlefish symposium to address concerns about the well being of this species. The news wasn't all bad, paddlefish populations seem to be holding their own. However, a summary said something to the effect:

> Paddlefish habitat and in some cases populations have been greatly reduced over the past several decades by water resource development projects. The range of the species has diminished. Now, a new threat has arisen. Within the past few years the demand for paddlefish eggs for caviar has put a severe strain on various populations.

In addressing the question "Is the paddlefish a threatened resource?" the summary concluded , the answer isn't yes and the answer isn't no: rather, the answer is, not yet.

A few years ago when I was still with the Department of Fish, Wildlife and Parks I asked scientists knowledgeable on paddlefish how many spawning areas still remain in the United States. The answer was six primary spawning areas, two of them being in Montana, one in the lower Yellowstone River and one in the Missouri River upstream from Fort Peck Reservoir.

This gives us a responsibility that extends beyond the boundaries of our state.

The Montana Chapter of the American Fisheries Society is opposed to the commercialization of paddlefish eggs, even the mild commercialization proposed by HB 289.

Our reasoning:

First, we feel there is no question but this will increase the harvest of paddlefish. I can even envision special paddlefish days to obtain money from egg sales for community projects.

However, in our judgement the annual take in the Yellowstone River of 8 to 10 percent of the paddlefish population each year is about all the population can stand. A very real problem is that our knowledge of paddlefish numbers, sizes and age composition is sketchy, and our harvest regulations have not been fully evaluated as to their effectiveness. Commercial eggs sales would require much closer monitoring of the population and with the present stress on economy in government this is not likely to happen.

Second, we are concerned that a black market will develop. At present, possession of 50 pounds of paddlefish eggs would be suspicious. With this bill, wardens would have to assume there was a valid purpose. State fines are simply not enough to deter violators who could collect several thousand dollars worth of eggs in a single night. The river stretch is long - 70 miles from the mouth of the Yellowstone to Intake - and remote. No amount of enforcement effort could stem an illegal paddlefish harvest.

The Montana Chapter of the American Fisheries Society opposes House Bill 289. The unique and rare paddlefish is too valuable a resource to jeopardize with commercialization.

EXHIBIT 20
DATE 1/24
HB 289

Testimony of Bill Holdorf, President of the Skyline Sportsmen Association, and also speaking for the Montana Wildlife Federation reguarding House Bill 289.

For the record, my name is Bill Holdorf, I reside in Butte, Montana. I am the President of the Skyline Sportsmen Association and I am also here today as the representative of the Montana Wildlife Federation.

I am here today to speak in opposition to House Bill 289.

It is the strong opinion of the Federation that commercialization of wildlife is not in the best interest of the species in question. In this case the species of concern is pattlefish.

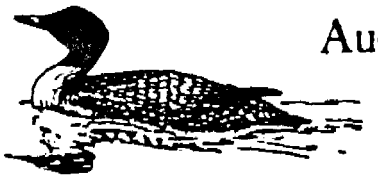
The important argument against any commercial sale of wildlife parts if fairly simple. When the sale of wild animal parts is allowed to become economically attractive it becomes more attractive for persons with only monitary concerns in mind. This segment of people who are only concerned with the economics of the species have in the past decimated populations often times in direct violation of game laws and regulations. The Fish and Game Department has historically had an extremely difficult time enforcing game regulations when the price of a part of that species is attractive. There are many examples of this problem such as bear gall blatters, elk horns, grizzly claws, and eagle feathers. When these parts are allowed to become a common place part of the market place it becomes difficult to track the origination of the parts, making prosecution of individuals taking illegal game extremely difficult.

The Federal Government has clearly recognized this problem. To address the problem the Federal Government has instituted several pieces of legislation, most importantly, the Lacy Act which prohibit the transport of wild animal parts across state lines. The problem is an important one and should also be recognized at the state level. Any attempt to increase the value of any wild animals body parts should be soundly rejected for the good of the resource. This is clearly the case for pattlefish and their roe.

Although the pattlefish roe will be donated by sportsmen to non-profit organizations it still attaches an economic incentive to the taking of additional pattlefish.

We strongly urge the committee to reject this legislation and give it a DO NOT PASS recommendation.

Montana
Audubon Legislative Fund



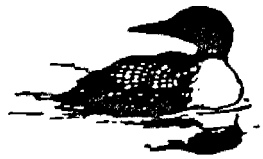


EXHIBIT 21
DATE 1/24
HB 289

Testimony on HB 289
House Fish and Game Committee
January 24, 1989

Mr. Chairman and Members of the Committee,

My name is Janet Ellis and I'm here today representing the Montana Audubon Legislative Fund. The Audubon Fund is composed of nine Chapters of the National Audubon Society, with over 2500 members located throughout the state.

The Audubon Society opposes HB 289 as a dangerous precedent setting bill. Although it may sound like a great "all American" idea, this bill is designed to commercialize a wildlife resource.

The paddlefish is listed as a "species of special concern" by the Department of Fish, Wildlife and Parks. That fact indicates the rareness and importance of management for this animal. Fisherman are currently allowed to harvest two paddlefish per year. Because paddlefish are a fairly long-lived species, over-harvesting these fish could hurt the paddlefish population for decades to come.

Commercial use of paddlefish eggs place a market price on the fish - and ultimately pressures to over-harvest or poach. HB 289 is a dangerous precedent setting bill because

1. It commercializes wildlife a wildlife species of "special concern." Putting a price on the head of a wildlife species has historically led to poaching of that species, especially a rare species.

2. It commercializes a "wasted" animal part. Why not allow the sale of bear gall blatters - another "wasted" animal part?

We oppose the commercial use of all wildlife species.

EXHIBIT 22
DATE 1/24
HB 289

Replace amendment adding (3) to 87-4-601 with the following:

(3)(a) A person issued a paddlefish tag under 87-2-306 who legally takes a paddlefish at Intake Fishing Access Site, north of Glendive, during an authorized paddlefish season may donate the paddlefish roe, or eggs, to a Montana nonprofit corporation as specified in subsection (3)(b) for processing and marketing.

(b) The department shall develop rules for annually selecting one Montana nonprofit organization to accept paddlefish egg donations, process and market the eggs.

(c) The department may enter into an agreement with the Montana nonprofit organization selected pursuant to subsection (3)(b) specifying times, sites and other conditions under which paddlefish eggs may be collected. The agreement must require the nonprofit organization to maintain records of the revenue collected and the related expenses incurred and to make them available to the department and the legislative auditor upon request.

(d) One-half of the proceeds from the sale of paddlefish egg products, in excess of the costs of collection, processing, marketing and administration, will be deposited in a state special revenue fund established for the department. . The fund and any interest earned thereon, will be used to benefit the paddlefish fishery, including fishing access, improvements, habitat and fisheries management and/or to provide information to the public regarding fishing in eastern Montana which could include the design and construction of interpretive displays. The department director will establish an advisory committee pursuant to 2-15-122 consisting of a member from the Montana nonprofit organization, an area local government representative, and two representatives for area sportsmen. The committee will work with the department in developing recommendations and reviewing projects for the expenditure of these funds.

The other half of the proceeds from the sale in excess of the costs of collection, processing, marketing and administration, will be paid to the nonprofit corporation which processes and markets the roe. This organization will solicit proposals for community development in the Glendive area. One of their priorities will be a Montana Entrance Tourist and Visitor Center on I-94 highway. This will be open year round to provide information to those entering the state from the east on tourism, recreation, sportsman, etc. The non-profit committee will review proposals and fund projects. These dollars can be used as seed money for various grants.

Revise amendment adding (2)(c) to 87-3-111 as follows:

(c) the donation and sale of paddlefish roe under the provisions of 87-4-601.

Add new Section 4:

Section 4. Effective date - termination date. This act is effective July 1, 1989 and terminates June 30, ~~1991~~ 1993.

VISITORS' REGISTER

fish and game COMMITTEE

BILL NO. HB 289 DATE Jan 24

SPONSOR Johnson

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Mike Carlson	112 1st St. Glendive Mt.	X	
Kathy Spaar	Glendive Forward	X	
Kathy Helena	Alder Glendive Montana	X	
C.A. Hunter	Glendive	X	
Kicky Koutsos	MSU	X	
Gary Maynard	Glendive	X	
George Holton			X
DAVID GENTRY	Helena		✓
BILL HOLDORF	BUTTE		✓
Tony Schoonen	Butte		✓
Janet Ellis	Helena		✓
Dept Schoonen	Helena		✓
Ron Marcoux	F.W.P.		✓

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Motion: Rep. Ream motioned a 'do pass'

Discussion: questions from the committee were discussed.

Amendments, Discussion, and Votes: none

Recommendation and Vote: THEREFORE, THE COMMITTEE RECOMMENDS A 'DO PASS' FOR THIS BILL.

DISPOSITION OF HOUSE BILL 342

Motion: Rep. Debruycker motioned a "do pass"

Discussion: Discussion among committee members did transpire.

Amendments, Discussion, and Votes: none

Recommendation and Vote: THEREFORE, THE COMMITTEE RECOMMENDS A "DO PASS" FOR THIS BILL.

DISPOSITION OF HOUSE BILL 426

Motion: Rep. Ellison motioned a "do pass"

Discussion: question was called for

Amendments, Discussion, and Votes: none

Recommendation and Vote: THEREFORE, THE COMMITTEE RECOMMENDS A "DO PASS" FOR THIS BILL.

DISPOSITION OF HOUSE BILL 289

Motion: Rep. DeBruycker motioned a "do pass"

Discussion: Rep. Elliott reported to the Committee the report of the SubCommittee's findings. He also stated that he must speak out against the commercialization of any species.

Amendments, Discussion, and Votes: Amendments were approved and voted on by the Committee. With a "do pass" on amendments.

Recommendation and Vote: WITH A VOTE OF 11 AYE AND 5 NAY, THE COMMITTEE THEREFORE RECOMMENDS A 'DO PASS AS AMENDED' FOR THIS BILL.

Amendments to House Bill No. 289
Introduced Reading Copy

For the Committee on House Fish and Game
Paddlefish Subcommittee

Prepared by Doug Sternberg, Committee Staff
February 7, 1989

1. That the following statement of intent be attached to House Bill 289:

STATEMENT OF INTENT--HB 289

A statement of intent is required for this bill because 87-4-601(3) grants rulemaking authority to the department of fish, wildlife, and parks to implement the paddlefish roe donation program. The legislature intends that the priority in implementing the provisions of this bill be on maintaining the paddlefish fishery. At a minimum, it is intended that the rules address the following:

(1) a process for the selection of a Montana nonprofit corporation to accept roe donations and to process and market the paddlefish roe;

(2) recordkeeping required of the selected corporation and commercial buyers to assure proper administration of the program;

(3) a process for development of recommendations and review of projects in expending funds raised through the paddlefish roe program; and

(4) any other topics necessary for administration of the program.

Amendments to House Bill No. 289
Introduced Reading Copy

Requested by Paddlefish Subcommittee
For the Committee on House Fish and Game

Prepared by Doug Sternberg, Committee Staff
February 7, 1989

1. Title, line 7.
Following: "USED;"
Insert: "INCREASING RESTITUTION ON ILLEGAL KILLING OR POSSESSION OF PADDLEFISH;"
Following: "SECTIONS"
Insert: "87-1-111,"

2. Title, line 8.
Following: "87-3-111"
Insert: ","
Following: "MCA"
Insert: "; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE"

3. Page 2, line 16.
Following: "who"
Insert: "legally"

4. Page 2, line 19.
Following: "corporation"
Insert: "as specified in subsection (3)(b)"

5. Page 2, line 21.
Following: "(b)"
Strike: the remainder of line 21 through line 4 on page 3.
Insert: "The department shall develop rules for selecting one Montana nonprofit organization to accept paddlefish egg donations, process and market the eggs. The department shall also develop rules for regulating the marketing and sale of roe.

(c) The department may enter into an agreement with the organization selected pursuant to subsection (3)(b) specifying times, sites, and other conditions under which paddlefish eggs may be collected. The agreement must require the organization to maintain records of revenue collected and related expenses incurred and to make the records available to the department and the legislative auditor upon request.

(d)(i) One-half of the proceeds from the sale of paddlefish egg products, in excess of the costs of collection, processing, marketing, and administration must be deposited in a state special revenue fund established for the department. The fund and any interest earned on the fund must be used to benefit the paddlefish fishery, including fishing access, improvements, habitat, and fisheries management or to provide information to the public regarding

fishing in eastern Montana, which could include the design and construction of interpretive displays. The director shall establish an advisory council pursuant to 2-15-122 consisting of one member from the organization selected under subsection (3)(b), one area local government representative, and two representatives of area sportsmen. The council shall work with the department in developing recommendations and reviewing projects for the expenditure of these funds.

(ii) The other half of the proceeds from the sale of paddlefish egg products in excess of the costs of collection, processing, marketing, and administration must be paid to the nonprofit corporation that processes and markets the roe. The nonprofit organization shall solicit and review proposals and fund projects. The nonprofit corporation shall recommend to the commission potential historical, cultural, recreational, and fish and wildlife uses for proceeds. Proceeds may be used as seed money for grants. "

6. Page 4, line 12.
Following: line 11
Insert: "Section 3. Section 87-1-111, MCA, is amended to read:

"87-1-111. Restitution for illegal killing or possession of certain wildlife. In addition to other penalties provided by law, a person convicted of the illegal killing or possession of a wild bird, mammal, or fish listed in this section shall reimburse the state for each such bird, mammal, or fish according to the following schedule:

(1) bighorn sheep, mountain goat, caribou, buffalo, grizzly bear, moose, and endangered species, $1,000;

(2) elk, mountain lion, black bear, lynx, and wolverine, $500;

(3) deer, antelope, fisher, raptor, swan, bobcat, and pallid and white sturgeon, paddlefish, $300;

(4) ~~paddlefish,~~ grayling~~,~~ and furbearers not listed in subsection (1), (2), or (3), $100;

(5) game bird (except swan), $25;

(6) game fish, $10.""

Renumber: subsequent section

7. Page 4, following line 15.
Insert: "NEW SECTION. Section 5. Effective date -- termination. [This act] is effective July 1, 1989, and terminates June 30, 1993."

ROLL CALL VOTE

FISH AND GAME COMMITTEE

DATE 2/09/89 BILL NO. HB289 NUMBER

NAME	AYE	NAY
Rep. Blotkamp	✓	
Rep. Cohen		✓
Rep. Daily	✓	
Rep. DeMars	✓	
Rep. DeBrucker	✓	
Rep. Ellison	✓	
REp. Eudaily	✓	
Rep. Elliott		✓
Rep. Gervais		✓
Rep. Hanson	✓	
Rep. Kasten	✓	
Rep. Keller	✓	
Rep. Phillips	✓	
Rep. Raney		✓
Rep. Ream		✓
Rep. Strizich	✓	

TALLY 11 5

maureen Cleary
Secretary

Chairman

MOTION: DeBrucker "do pass"

Elliott reports to comm. on sub-comm.

Kasten: "move amendments" (2/08/89) unan.

Form CS-31
Rev. 1985

STANDING COMMITTEE REPORT

February 10, 1989

Mr. Speaker: We, the committee on Fish and Game report that HOUSE BILL 289 (first reading copy -- white), with statement of intent attached, do pass as amended .

Signed: _____
Bob Ream, Chairman

And, that such amendments read:

1. Title, line 7.
Following: "USED;"
Insert: "INCREASING RESTITUTION ON ILLEGAL KILLING OR POSSESSION OF PADDLEFISH;"
Following: "SECTIONS"
Insert: "87-1-111,"

2. Title, line 8.
Following: "87-3-111"
Insert: ","
Following: "MCA"
Insert: "; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE"

3. Page 1, line 9.
Insert:

"STATEMENT OF INTENT

A statement of intent is required for this bill because 87-4-601(3) grants rulemaking authority to the department of fish, wildlife, and parks to implement the paddlefish roe donation program. The legislature intends that the priority in implementing the provisions of this bill be on maintaining the paddlefish fishery. At a minimum, it is intended that the rules address the following:

(1) a process for the selection of a Montana nonprofit corporation to accept roe donations and to process and market the paddlefish roe;

(2) recordkeeping required of the selected corporation and commercial buyers to assure proper administration of the program;

(3) a process for development of recommendations and review

of projects in expending funds raised through the paddlefish roe program; and

(4) any other topics necessary for administration of the program."

4. Page 2, line 16.
Following: "who"
Insert: "legally"

5. Page 2, line 19.
Following: "corporation"
Insert: "as specified in subsection (3)(b)"

6. Page 2, line 21.
Following: "(b)"
Strike: the remainder of line 21 through line 4 on page 3.
Insert: "The department shall develop rules for selecting one Montana nonprofit organization to accept paddlefish egg donations, process and market the eggs as caviar. The department shall also develop rules for the marketing and sale of caviar.

(c) The department may enter into an agreement with the organization selected pursuant to subsection (3)(b) specifying times, sites, and other conditions under which paddlefish eggs may be collected. The agreement must require the organization to maintain records of revenue collected and related expenses incurred and to make the records available to the department and the legislative auditor upon request.

(d)(i) One-half of the proceeds from the sale of paddlefish egg caviar products, in excess of the costs of collection, processing, marketing, and administration must be deposited in a state special revenue fund established for the department. The fund and any interest earned on the fund must be used to benefit the paddlefish fishery, including fishing access, improvements, habitat, and fisheries management or to provide information to the public regarding fishing in eastern Montana, which could include the design and construction of interpretive displays.

(ii) The other half of the proceeds from the sale of paddlefish egg caviar products in excess of the costs of collection, processing, marketing, and administration must be paid to the nonprofit organization that processes and markets the caviar. An advisory committee shall be established consisting of one member from the organization selected under subsection (3)(b), two area local government representatives, and two representatives of area sportsmen. The advisory committee shall solicit and review historical, cultural, recreational, and fish and wildlife proposals and

organization selected pursuant to subsection (3)(b) specifying times, sites, and other conditions under which paddlefish eggs may be collected. The agreement must require the organization to maintain records of revenue collected and related expenses incurred and to make the records available to the department and the legislative auditor upon request.

(d)(i) One-half of the proceeds from the sale of paddlefish egg caviar products, in excess of the costs of collection, processing, marketing, and administration must be deposited in a state special revenue fund established for the department. The fund and any interest earned on the fund must be used to benefit the paddlefish fishery, including fishing access, improvements, habitat, and fisheries management or to provide information to the public regarding fishing in eastern Montana, which could include the design and construction of interpretive displays.

(ii) The other half of the proceeds from the sale of paddlefish egg caviar products in excess of the costs of collection, processing, marketing, and administration must be paid to the nonprofit organization that processes and markets the caviar. An advisory committee shall be established consisting of one member from the organization selected under subsection (3)(b), two area local government representatives, and two representatives of area sportsmen. The advisory committee shall solicit and review historical, cultural, recreational, and fish and wildlife proposals and fund projects. The committee shall notify the commission of its actions. Proceeds may be used as seed money for grants."

7. Page 4, line 12.
Following: line 11
Insert: "Section 3. Section 87-1-111, MCA, is amended to read:

"87-1-111. Restitution for illegal killing or possession of certain wildlife. In addition to other penalties provided by law, a person convicted of the illegal killing or possession of a wild bird, mammal, or fish listed in this section shall reimburse the state for each such bird, mammal, or fish according to the following schedule:

(1) bighorn sheep, mountain goat, caribou, buffalo, grizzly bear, moose, and endangered species, $1,000;

(2) elk, mountain lion, black bear, lynx, and wolverine, $500;

(3) deer, antelope, fisher, raptor, swan, bobcat, and pallid and white sturgeon, paddlefish, $300;

(4) ~~paddlefish,~~ grayling~~,~~ and furbearers not listed in subsection (1), (2), or (3), $100;

(5) game bird (except swan), $25;

(6) game fish, $10.""
Renumber: subsequent section

8. Page 4, following line 15.
Insert: "NEW SECTION. Section 5. Effective date -- termination. [This act] is effective July 1, 1989, and terminates June 30, 1993."

Amendments to House Bill No. 289

1. Title, line 7.
Following: "USED;"
Insert: "INCREASING RESTITUTION ON ILLEGAL KILLING OR POSSESSION OF PADDLEFISH;"
Following: "SECTIONS"
Insert: "87-1-111,"

2. Title, line 8.
Following: "87-3-111"
Insert: ","
Following: "MCA"
Insert: "; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE"

3. Page 1, line 9.
Insert:

"STATEMENT OF INTENT

A statement of intent is required for this bill because 87-4-601(3) grants rulemaking authority to the department of fish, wildlife, and parks to implement the paddlefish roe donation program. The legislature intends that the priority in implementing the provisions of this bill be on maintaining the paddlefish fishery. At a minimum, it is intended that the rules address the following:

(1) a process for the selection of a Montana nonprofit corporation to accept roe donations and to process and market the paddlefish roe;

(2) recordkeeping required of the selected corporation and commercial buyers to assure proper administration of the program;

(3) a process for development of recommendations and review of projects in expending funds raised through the paddlefish roe program; and

(4) any other topics necessary for administration of the program."

4. Page 2, line 16.
Following: "who"
Insert: "legally"

5. Page 2, line 19.
Following: "corporation"
Insert: "as specified in subsection (3)(b)"

6. Page 2, line 21.
Following: "(b)"
Strike: the remainder of line 21 through line 4 on page 3.
Insert: "The department shall develop rules for selecting one Montana nonprofit organization to accept paddlefish egg donations, process and market the eggs as caviar. The department shall also develop rules for the marketing and sale of caviar.

(c) The department may enter into an agreement with the

fund projects. The committee shall notify the commission of its actions. Proceeds may be used as seed money for grants."

7. Page 4, line 12.
Following: line 11
Insert: "Section 3. Section 87-1-111, MCA, is amended to read:

"87-1-111. Restitution for illegal killing or possession of certain wildlife. In addition to other penalties provided by law, a person convicted of the illegal killing or possession of a wild bird, mammal, or fish listed in this section shall reimburse the state for each such bird, mammal, or fish according to the following schedule:

(1) bighorn sheep, mountain goat, caribou, buffalo, grizzly bear, moose, and endangered species, $1,000;

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(3) deer, antelope, fisher, raptor, swan, bobcat, and pallid and white sturgeon, paddlefish, $300;

(4) ~~paddlefish,~~ grayling, and furbearers not listed in subsection (1), (2), or (3), $100;

(5) game bird (except swan), $25;

(6) game fish, $10.""

Renumber: subsequent section

8. Page 4, following line 15.
Insert: "NEW SECTION. Section 5. Effective date -- termination. [This act] is effective July 1, 1989, and terminates June 30, 1993."

HB 289
3/2/89

RANGER REVIEW
Glendive, MT
Nov. 13, 1988

Chamber readies local caviar proposal

By GINNY ARCHDALE
Ranger-Review Staff Writer

With less than two months to go before the beginning of the 1989 Montana legislative session, the Glendive Area Chamber of Commerce and Agriculture is kicking into higher gear its efforts to develop a local caviar business.

The idea was first discussed by the chamber last April.

Mike Carlson, chamber president, Thursday reviewed with other chamber board members a draft written proposal for using paddlefish roe to make caviar.

He said he will be taking the proposal to a meeting with the chairman of the Montana Fish and Game Commission later this month.

One section of the proposal notes that state laws which currently prohibit the use of any game animal for commercial interests may have to be changed.

The proposal suggests that a bill be drafted to that effect, and that the bill also define where the income from the caviar would be spent.

The chamber proposes half the net profits of the operation go to the chamber, with half going to the state Department of Fish, Wildlife and Parks.

The chamber would use its share for projects such as a year-round staffed Gate City Visitor Center near Interstate 94 to provide information to tourists, sportsmen and snowmobilers. It also suggests fisheries or biology scholarships to Dawson Community College and other community projects such as swimming pool improvements, library, fairground improvements and a community center.

The proposal suggests FWP use its share of the caviar profits for Eastern Montana projects such as replacing the existing bridge into the Intake fishing area, paving the road into Intake, improving campgrounds on both sides of the river at Intake, building more access sites to the Yellowstone River for fishermen, repairing and maintaining off-stream dams in Eastern Montana, constructing new dams, paving the Makoshika State Park road and improving campsites in Makoshika.

The amount of money available would depend on the contract price for caviar and the extent of the paddlefish run in a given year.

The chamber estimates 15,000 to 20,000 pounds of roe would be available each year.

The written proposal doesn't list a price for caviar, but in April Chamber Director Kathy Nedens noted it sells for between $30 and $50 an ounce.

The chamber's proposal calls for the chamber to hire people who would be at Intake around the clock during paddlefish season to clean the paddlefish, extract the eggs and keep them refrigerated.

The roe would be transported to Glendive where it would be washed, salted and canned before being sold to a retailer. Or another option would be to do minimal initial processing in Glendive and then send it in drums to a retailer who would properly age, can and market it.

The proposal states the chamber would need to find capital and expertise to develop the processing facility.

Carlson noted Montana Gov. Ted Schwinden has been opposed to the proposal in the past.

In a letter to businessmen Joe Crisafulli Sr., in 1985, Schwinden cited fears that a commercial operation would adversely affect the paddlefish population and create enforcement problems.

Crisafulli had done some research into the possibilty of making paddlefish caviar.

The chamber's proposal addresses concerns about controlling violations, saying that due to the two fish limit and tougher enforcement at Intake, violations shouldn't be a problem.

The proposal states no money would be paid to fishermen for the roe, which would be voluntarily donated to the chamber. The roe would be accepted from tagged fish only.

Carlson also noted the governorship is changing hands, which could mean changes on the Fish and Game Commission as well. While that makes starting a push for approval of the project difficult, he said it has to be done now because of the need to change laws in the upcoming legislative session.

He noted local members of Walleyes Unlimited have been consulted about the proposal and they have indicated their approval, especially if the profits can be used to make fishing better in the area.

"I see no difference between using the paddlefish eggs and selling deer hides," Carlson said.